



Henry Butcher & Co. incorporating Leopold Farmer & Sons. Agents, Valuers, Surveyors and Auctioneers of Property and Plant. London - Leeds - Birmingham

CONTINENTAL SELLING PRICES: AUSTRIA Sch 15; BELGIUM Fr 25; DENMARK Kr 3.5; FRANCE Fr 3.5; GERMANY DM 2.0; ITALY L 600; NETHERLANDS Fl 2.0; NORWAY Kr 3.5; PORTUGAL Esc 25; SPAIN Pta 50; SWEDEN Kr 3.25; SWITZERLAND Fr 2.0; EIRE 20p

NEWS SUMMARY

China to sell jets to Egypt

The Chinese decision is certain to be considered provocative by the Soviet Union which the principal arms supplier to Egypt. President Sadat's peace efforts.

Gold at new high; Tokyo down 75

● EQUITIES fell slightly, and about half of the closing fall was accounted for by reaction to an \$80.5m rights issue announced by Grand Metropolitan. The FT Ordinary Index closed 1.6 down at 599.3. Gold shares advanced and the Gold Mines index put an 8.9 to 203.2.

Basque protests

rikes and demonstrations seriously disrupted the Basque region of Spain as protesters continued against police action which resulted in the death of a young woman during an anti-nuclear rally. Page 3

Directors charged

the managing director and finance director of William Jessop, the engineering and construction group, were among those charged with conspiring to fraud the inland Revenue. Page 6

IC-10s grounded

20 of the 134 DC-10s in service with U.S. airlines have been grounded a second time because of potential problems emanating from last week's faulty inspection. Page 6

Chatcher in Paris

rs. Thatcher, in her first official visit to a foreign capital, private talks in Paris with President Giscard d'Estaing of France which she said had gone very well indeed. Back Page; Australia visit, Page 10

Financier jailed

ancier William Morley, 63, of Enfield, Middlesex, is jailed for seven years at Old Bailey for masterminding the fraud of the London-based Bahrain Banking Corporation which offered loans worth \$500m on the strength of assets of \$100.

Rebels in control

arm officers said they were in firm control in Ghana following Monday's coup, and had set up a revolutionary council. They promised a smooth transition to constitutional rule and said the scheduled June 18 general elections should go ahead. Page 5

Energy talks

est German Chancellor Helmut Schmidt flew to the S. for talks with President Carter in Washington which are expected to focus on energy problems.

Briefly...

nteen people, including 15 children, were killed when their tractor-drawn trailer overturned on an irrigation canal in Turkey.

Chief price changes yesterday

Prices in pence unless otherwise indicated

| | | | |
|--------------------|-----------|-------------------|----------|
| RISES | LASMO | 244 + 14 | |
| Down and Jackson | 228 + 23 | Anglo Amer. Corp. | 431 + 15 |
| De La Rue | 436 + 11 | De Beers Ltd. | 437 + 10 |
| Electronic Rentals | 310 + 6 | East Driedonstein | 903 + 63 |
| Process Withy | 281 + 11 | East Rand Prop. | 478 + 52 |
| unting Gibson | 240 + 10 | Falcon Mines | 310 + 15 |
| sw Land | 72 + 3 | Harmony | 455 + 23 |
| se Cooper | 278 + 13 | West Rand Cons. | 184 + 20 |
| arshalls (Balfax) | 160 + 8 | | |
| atches (B.) | 250 + 15 | | |
| ay and Hagger | 57 + 7 | FALLS | |
| oss Bros. | 290 + 10 | Essex 12pc 13-17. | 5981 - 1 |
| atWest | 350 + 8 | Charterhouse | 70 - 6 |
| ell and Spencer | 205 + 8 | Grand Met. | 143 - 9 |
| otronics | 32 + 16 | Land Secs. | 299 - 7 |
| erchley | 430 + 7 | Shiphead | 256 - 14 |
| und-Division | 1188 + 30 | Stylis | 132 - 3 |
| | | Goveror | 145 - 5 |
| | | Metals Expln. | 63 - 84 |

Top salary increases raise expectations, warn union leaders

BY NICK GARNETT AND ALAN PIKE

The Government approved increases yesterday in top salaries which union leaders immediately warned would raise the general level of expectations in the next pay round.

Acceptance of these recommendations for 1979 from Lord Boyle's top salaries review body means that, in conjunction with previously approved increases, the pay of senior civil servants, judges, military officers and nationalised industry board members will rise by 25 per cent this year.

Debate

He hoped that the Clegg comparability commission examining local authority and hospital manual workers' pay would "take serious account of the Government's generosity towards richer groups also in this sector."

Money supply expanding ahead of target

BY DAVID FREUD

THE MONEY SUPPLY continued to expand last month faster than the target set by the authorities. It appears from banking figures published yesterday.

Bank lending to the private sector, which moved further above the buoyant level of the previous two months, was the biggest contributor to the growth.

Grand Met calls for £80.5m

BY TIM DICKSON

GRAND METROPOLITAN, the UK leisure group with interests ranging from hotels and casinos to milk and food manufacture, yesterday announced an £80.5m rights issue, the biggest this year.

This takes the total amount of funds raised on the UK stock market this year to more than £500m, twice the figure this time last year.

CONTENTS

| | | | |
|--|----|--|-------|
| Italy: A Pyrrhic victory over the Communists | 18 | Euro-elections: Malcolm Rutherford sums up the UK campaign | 2 |
| European shipbuilding: the scrap and build plan | 19 | Editorial comment: MPs' pay; Euro-elections | 18 |
| Management: the current state of business legislation in Germany | 15 | Lombard: Margaret van Hattem on the Lome Convention | 16 |
| UNCTAD V: failures and successes in the trade negotiations | 4 | Survey: International Property | Inset |

Russians invite China for new talks

BY DAVID HOUSEGO

CHINA IS considering seriously a Russian offer to open negotiations in Moscow in July or August to normalise relations.

The proposed talks would be according to the Soviet proposal according to the Soviet minister, at deputy foreign minister level — the most senior for many years.

A Chinese spokesman, disclosing the Russian offer in Peking yesterday, said it was being studied but declined to say when the response would be made.

The pay rises backdated to April 1 for National Health Service doctors and dentists are the second phase of a three-phase process started last year to bring their pay back into line with comparable groups by April 1980.

Effects

The review body says "substantial" increases next year, which will be the subject of a further report, are necessary to complete the process.

Money supply expanding ahead of target

rose 1.9 per cent in the month to mid-May to £18.4bn.

The whole of this rise is unlikely to be reflected in the money stock because of technical transactions in the money market and the elimination of overseas sterling deposits, which are not used in measuring M3.

Sterling advances to the UK private sector by the London clearing banks rose strongly. They were £472m up in the month to mid-May and the underlying rise was higher, at more than £500m to make a total underlying increase of £1.5bn in the latest three months.

Advances were broadly spread, although the major emphasis in May was on the personal and service sectors.

Grand Met calls for £80.5m

reduced its previously high level of borrowings which reached a peak during 1974. This followed a number of takeovers, notably the Truman and Watney Mann breweries.

Mr. Stanley Grinstead, Grand Met's joint managing director, said yesterday the bulk of the company's capital spending commitments, running at about £10m a year, was taken up with maintaining the group's large asset base.

This, he pointed out, did not leave much for expanding the group's activities.

Referring to the group's present balance sheet, Mr. Grinstead said that the current ratio of borrowings to shareholders' funds was "about right".

New Tornado aircraft order worth £1.5bn

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AN ORDER for a further production batch of 164 Tornado multi-role combat aircraft, worth nearly £1.5bn, is expected to be signed in Munich today between Panavia the three-nation company building the aircraft and Namma, the NATO agency managing the Tornado programme for the UK, West German and Italian Governments.

Panavia comprises British Aerospace, Messerschmitt-Bolkow-Bromm of West Germany, and Aeritalia of Italy.

Also involved in the deal will be Turbo-Union the company building the aircraft's RB-199 engines, comprising Rolls-Royce, Maschinen-und-Turbine Union of West Germany, and Fiat of Italy.

The new deal will bring to 314 the total Tornado aircraft on order — worth about £2.55bn altogether. All of these are of the basic strike version of the aircraft.

Further production orders will be placed through the 1980s until the eventual planned total of 809 aircraft for three countries has been reached.

These will comprise 644 basic strike aircraft at £9m each, and 165 of the more expensive specialist Air Defence Variant at £10.9m each.

The full cost of the 809 aircraft including research and development (costing several hundred million pounds) and production, is thus likely to be more than £8bn. Of this, the UK's share will be 42.5 per cent or about £3.4bn.

West Germany also has 42.5 per cent and Italy 15 per cent. The RAF will be taking 385 of the aircraft (including all of the 165 specialist aircraft, while the Luftwaffe will be taking 212, the German navy 112 and the Italian airforce 100.

First deliveries of the basic aircraft to the RAF and the Luftwaffe will be made next year.

But the three governments are hoping to accelerate the Tornado production programme.

The first production Tornado was rolled out of the Warton, Lancashire, factory of British Aerospace yesterday. It will fly later this month and will then go to the Government's Aeroplanes and Armament Experimental Establishment at Boscombe Down, Wiltshire, for extensive flight trials.

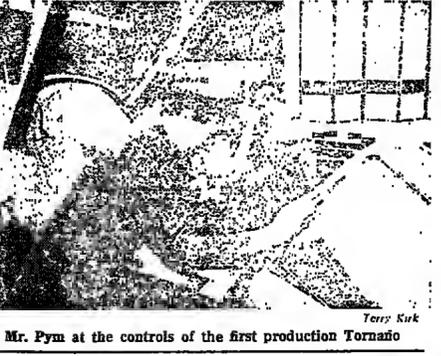
But some 15 Tornado aircraft are already flying — nine prototypes and six pre-production aircraft — which together have logged over 2,750 hours in the air.

The second production Tornado is due to be rolled out today at the Manches, near Munich factory of Messerschmitt.

Production of the aircraft is divided between the three countries, with over 500 companies and 70,000 workers involved, feeding the three assembly lines in Lancs, Munich and at Caselle, near Turin.

Mr. Francis Pym, the Secretary for Defence, speaking at yesterday's roll-out ceremony at Warton, said "The Tornado is a success story, an achievement that demonstrates to the world our capability of collaborating successfully."

The Tornado is a twin-engine two-seat swing-wing aircraft, capable of performing a wide variety of missions at both high-level and low level with a top speed of Mach 2.2. In excess of twice the speed of sound.



Mr. Pym at the controls of the first production Tornado

Carron House

A NEW OFFICE BUILDING

WITH EXTENSIVE RIVERSIDE FRONTAGE

CLOSE TO TOWER BRIDGE & THE WORLD TRADE CENTRE

45,000 SQ.FT. NET

* Air Conditioned * Ample Car Parking
* Automatic Lifts * Mooring Facilities

TO LET

Apply Sale Agents

Hillier Partners

39 King Street London
Telephone: 01-60...
and London W1E...

EURO ELECTIONS 79

BENN CALLS FOR EEC CHANGES

Labour's bogeyman warns of Britain's 'Merseyside' future

BY PHILIP RAWSTORNE

THEATRE BILLS in the square announce the final appearance of the Boggart, Lancashire's name for a bogeyman. Mr. Tony Benn, long familiar with that role in politics, arrives on cue. The chairman of Labour's Euro Campaign Committee rides on the open upper deck of a flag flying bus. Clad in waterproofs against the rigours of the Manchester summer, he stands like one of those visionary captains in an epic film.

A Mr. John Mills stands beside him lending nominal credence to the cinematic image—but is the Labour candidate for Greater Manchester South and a founder of the party's anti-Market Safeguards Campaign, not the actor.

Their arrival puts the pigeons to flight but scarcely causes a stir among the city's voters. There was to have been a cavalcade to the meeting but only a van and two or three cars ambled behind in embarrassed procession behind the bus.

Their passengers disembark and rally on the pavement. All wear red and yellow "John Mills for Europe" stickers which are spread contagiously among the few unlabelled and blue-cold bystanders.

Leaflets promising that "Labour will fight for you in Europe" are distributed. Mr. Mills adds that he will soldier for radical changes. Continued membership of the EEC on present terms could only accentuate the problems of the Manchester region.

Mr. Benn takes the microphone. This is not a nationalist campaign, he declares. Labour is not against international co-operation. "But we believe that the way the Common Market is organised is hostile to the interests of working people."

Labour is not calling for immediate withdrawal, but it does ask for a renewed commitment to fundamental social economic and political change. That would mean amendment of the Rome Treaty, safeguards for national sovereignty and curbs on the powers of the EEC Commission.

Mr. Benn tots up the cost of the EEC Budget and agricultural policy. But he emphasises that it is the democratic price of membership that is too high. He is warmly applauded, and departs at speed. The ripple of interest just as quickly subsides.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$365.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

"This is the first election in European history denuded by people at the top and not wanted by the mass of voters," Mr. Benn tells a critic on the BBC's radio phone-in programme.

He did not want the election himself, believing that it would give an aura of respectability to thoroughly undemocratic institutions. "But the Labour movement does not believe in abstention as a form of political action," he asserts.

Mr. Benn has fought hard and long to ensure that Labour's manifesto reflects the hostility displayed by successive party conferences and which he now concisely but ever-courteously propagates.

Though Mr. James Callaghan insisted on launching the campaign and had Labour's last word in a television broadcast, Mr. Benn has throughout been its main driving force.

He has dominated the party Press conferences and was the only member of the campaign committee to turn up at one

Former Labour MP turned Liberal, Mr. Christopher Mayhew launched a blistering attack yesterday on Mr. Anthony Wedgwood Benn, accusing him of re-writing history over the division of Europe.

Mr. Mayhew, the Liberal Euro candidate for Surrey, said he had heard Mr. Benn on the radio. "Blaming the West rather than the Russians for the division of Europe. It was a load of old Marxist rubbish."

"If anyone spoke about European history like that in the European Parliament he would be denounced as a Stalinist by the French and Italian Communists."

meeting last week. He and only one other left-winger attended a second committee meeting.

In sustaining the anti-Market cause from Glasgow to Plymouth, from Bristol to Bedford, Mr. Benn links the struggle with that of securing greater internal democracy in the Labour Party.

If Labour Prime Ministers had less patronage and its MPs were subject to re-election, he implies, the country would not be in the Common Market now. To stand against the EEC is to stand for democratic socialism.



Mr. Anthony Wedgwood Benn

of our objection is that the Common Market is based on a written constitution which entrenches the principles of capitalism. The Treaty of Rome might have been drafted by Conservative Central Office."

It threatens to dismantle all the hard-won gains of the Labour movement in Britain, he says tersely.

Mr. Steve Bundred, Labour's candidate for south-east London, nods approvingly. His own speech has just echoed the headlines of his election news sheet—"Changes, or out we come," "Life ahead the EEC gravy train," "How the rich get richer," "North Sea oil grab," "Eurotraid a growth industry," "Phoney Parliament."

The audience of 50 listens in total silence. But it turns out from the later applause to have been silent agreement, not apathy.

None of the arguments against membership are published by the newspapers, Mr. Benn says. The facts are that nine times more British capital—profits made by British workers—is being invested in Europe than comes to Britain from the Continent; that Brussels bureaucrats are vetoing our industrial policies; that their directives override British laws.

Mr. Benn gestures in despair. "What I fear is that one day the people will wake up and find that they have lost the rights it took them centuries to win; that we have become the Merseyside of Europe."

There is no sign that he, any more than anyone else in this election, is awakening the electorate. But he lights his pipe at the end, apparently assured that his persuasive arguments and the inevitable advance of the Labour movement will eventually prevail.

Soviet threat to retaliate over Berlin representatives

BY LESLIE COLITT IN BERLIN

THE SOVIET UNION has threatened to take counter-measures after next Sunday's nomination by the West Berlin Parliament of three Berlin representatives to be included in the West German delegation to the European Parliament.

The threat comes after the Soviet Union protested late last month to the three Western allies in their capitals that the nomination of the three West Berliners would violate the 1972 Four Power agreement on Berlin. The

Soviet protests, however, did not suggest any measures would be taken by Moscow.

The German language service of Radio Moscow has said the Soviet Union "will be compelled to take measures to guarantee the normal functioning of the (Four Power) agreement." An allied spokesman in West Berlin says this appears to be a "veiled threat" to take action.

Some Western officials think the Soviet Union may consider allowing East Germany to introduce measures "permanently affecting" tra-

ffic between West Berlin and West Germany or between West and East Berlin.

This would evoke a strong Western protest and then Moscow might call for a Four Power meeting to re-interpret the quadripartite accord. Until now, this has been resisted by both the West and the Soviet Union as being fraught with danger.

The majority of Western officials, however, consider that Moscow will not allow East Germany to interfere with the free flow of traffic on the East German autobahn

routes to West Berlin, or with the access of West Berliners to East Germany. This is because of the summit meeting less than two weeks from now in Vienna between President Carter and President Brezhnev to sign the SALT II agreement.

The signing would be jeopardised by any East German interference. It is pointed out here.

Even if a Soviet-backed retaliation occurred after the signing, the allies note, it would still endanger ratification by the U.S. Senate.

East German officials, however, have reportedly told the West German permanent mission in East Berlin that retaliatory steps will be taken after this Sunday's nomination of the West Berlin delegates to Strasbourg.

In response to protests, the Western Allies have told the Russians that the "nomination" of West Berlin parliamentarians complies with the Four Power agreement as the Berlin representatives are not being directly elected as is the case elsewhere in Western Europe.

Vote reform call likely if UK Tories win

BY MALCOLM RUTHERFORD, POLITICAL EDITOR

THE CONSERVATIVE Party seems likely to win an overwhelming victory in the elections to the European Parliament, voting for which takes place in Britain tomorrow.

One takes last week's Gallup Poll in the Daily Telegraph as a guide, there has been a swing to the Conservatives from Labour of 6 per cent since the general election on May 3.

If those findings are borne out tomorrow, the results would give the Conservatives 38 seats and Labour 20. (The remaining three of the UK's 61 seats are in Northern Ireland, where members will be elected by a system of proportional representation.) Yet the Tory majority could be even greater.

There are three main reasons for the Conservatives' superiority. The first is the huge size of the constituencies, most of them with over 300,000 voters. Broadly speaking, Labour votes tend to be concentrated in urban areas. The result of grouping large numbers of urban Westminster constituencies together is likely to be that many of these votes will be wasted. That is, Labour could win by a large majority in some cities, but lose heavily in the rest of the country where the constituencies are more mixed.

The second reason is simply that the Tories are better organised. Many Conservative associations have been looking forward to these elections for some time, and there is a detectable feeling among Conservative supporters that voting for Europe is something of a duty. (The distinction between voting for Europe and voting in Europe is not always made.)

The Tories have also had the advantage of the campaign by Mr. Edward Heath, who remains a remarkably popular figure in the country. The Tory turnout is likely to be much higher than that of Labour.

The third and related reason is that the Labour Party has been arguing internally about Europe for so long that it is in no position to fight a convincing

battle. There were quarrels about the party's manifesto, about the selection of candidates and about the funding to the campaign.

The evidence of the BBC phone-in programmes indeed suggests that a number of people have come to believe that Labour is fighting on a platform of "get Britain out." Although this is not the case, the general confusion and internal divisions cannot have helped the Labour vote.

Ironically, the Labour Party might have done much better if Mr. Callaghan's government had opted for a system of proportional representation such as is being used in every other member country of the Community.

The chief losers from the first-past-the-post system are likely to be the Liberals, whose only reasonable chance of winning a seat is in the Highlands and Islands where their candidate is Mr. Russell Johnson, the Liberal MP for Inverness.

The Liberals in particular can be expected to complain vociferously at the unfairness of the system when the results are out.

Uniform procedure

It is an intriguing possibility, however, that they might be joined by the Labour Party in their demands for electoral reform. The next Parliament in five years' time is due to be elected by a uniform procedure throughout the Community, which means that the pressures on Britain to introduce PR at least in European elections could be intense.

There are other ways in which the elections could have a considerable influence on British politics. The proceedings of the European Parliament, for example, can be televised. Who knows whether that will increase or decrease the demand for the televising of Westminster? Again, the Parliament has a more developed

committee system than has so far been used at home. It is possible that that too could become an example to the House of Commons.

Perhaps most important of all is the question of the relationship between the parties in Europe and the

relations to be established between its MEPs and members at Westminster are even more of a mystery. Its outstanding candidate is Mrs. Barbara Castle, the former Minister, who indeed is probably the best-known candidate of any British party. She can be expected to

for the Cotswolds, and there are other names more familiar in a different context, such as Sir Fred Catherwood and Sir Basil de Ferranti. There is also a fair sprinkling of former diplomats and professional Eurocrats.

Yet the list is not distinguished for its Parliamentary experience and some of the Tory candidates are quite as obscure as their Labour counterparts. That again is one of the intriguing aspects. It is quite possible that some of them will rise to the occasion, and at least one of them is "working Europe as a springboard for Westminster rather than a place to go out to grass."

Question of pay

There remains the vexed question of pay. Like almost everything else, it remains an unknown factor, though perhaps slightly less contentious than it was. At one stage, it seemed that British MEPs would be paid something like the going European rate, which means about three times the present salary at Westminster, plus allowances.

The European Council last December put a stop to that by agreeing that MEPs would receive the same salary as members of their national parliaments, and that it would be paid from national budgets rather than from Community funds. (The latter agreement was a sop to President Giscard d'Estaing of France who wanted to play down the federal nature of the Parliament.)

MEPs, however, could still have the last laugh because they will determine their own allowances after the elections. In any case, the disparity between British and Continental parliamentary salaries could be somewhat reduced if Mrs. Thatcher accepts the recommendations of the Boyle Committee on MEP pay. These are said to be about half way towards the European average.



Mr. James Spicer (left) and Sir Brandon Rhye Williams



parties in Westminster. Nobody is quite sure how it will develop.

The Tories have done something to ensure that their MEPs—Members of the European Parliament, as we shall have to learn to say—are not entirely distinct from the MPs by allowing four of their Westminster brethren to seek election to Europe as well.

They are Mrs. Elaine Kellie-Bowman, Mr. Tom Norman, Mr. James Spicer and Sir Brandon Rhye Williams, none of whom are exactly household names. But it is admitted that this experiment may not last. There is talk of their having to give up their Westminster seats if the burden of work caused by the so-called dual mandate becomes too great.

make a formidable contribution and is guaranteed to attract publicity.

As for the rest of the Labour candidates, it is by no means true that they are all anti-European. Probably about one-third of them are pro-Community, and very few are totally against.

Mr. Ernest Wiistrich, the Labour candidate for Cleveland and Director of the European Movement, is an even more committed European than most of the Tories. It is true, however, that most of the Labour candidates tend to be local figures who have yet to make a national reputation. The Tory candidates are more illustrious, though not remarkably so. Most people will have heard of Sir Henry Plunk, the former president of the National Farmers' Union who is standing



"It is not in my nature to give interviews"

The only private interview that Leonid Brezhnev ever gave to American journalists, he gave to TIME Magazine. "Given the importance of the relations between our two countries," he said, "and the solid reputation of your magazine, I decided to take advantage of your request to answer TIME's questions."

An apt demonstration of one of TIME's most extraordinary attributes: the ability, through such exclusive interviews as those with Soviet Party Chief Brezhnev and China's

Vice Premier Deng, to present aspects of the news not available anywhere else.

And it demonstrates, also, TIME's authority and leadership—as newspapers around the world quoted excerpts of the conversation; as statesmen and readers scanned the columns of TIME for new insights into the Soviet leader. Above all, it demonstrates TIME's unmatched editorial quality.

Another reason why TIME has earned more loyal readers around the world than any other single news source.



The news magazine for the internationally minded.

Johnnie To

EUROPEAN NEWS

Ezra hits at U.S. energy policy

By Jonathan Carr in Bonn
EUROPE could learn much from a negative lesson from the approach of the U.S. to its energy problems, according to Sir Derek Ezra, chairman of Britain's National Coal Board.

Speaking to the British-German Trade Council in Cologne yesterday, Sir Derek suggested that Europe should study U.S. energy policy and then decide to do exactly the opposite.

Saying that the U.S. was now importing more oil than was being produced in Saudi Arabia, he described this as a "fantastic situation" for a country which could be totally self-sufficient in energy if it pursued the right policies.

Friends of the U.S. should seek to persuade it to take a different line, Sir Derek said, drawing a dramatic picture of the situation which could emerge if U.S. oil imports increased further in coming years while available world supplies diminished.

Urging combined European action both to develop non-oil energy sources and to increase the effectiveness of energy usage, Sir Derek warned that Europe would face a crisis within a decade unless the pattern of energy consumption changed. Action should include more substitution of coal for oil in power stations.

He foresaw peak usage of oil and natural gas being reached within ten years, after which the only way Europe could attain its growth objectives would be through increased use of coal and nuclear power, this situation would exist until well into the next century when new energy sources, such as nuclear fusion, could well emerge.

South Korea

A table in the FT survey of South Korea on April 2 inadvertently suggested a link between Ssangyong Industrial Company and JGC Corporation. The two companies are in no way associated and we apologise for the error.

WASHINGTON, D.C. A Renaissance of Graciousness. A luxury hotel in the great European tradition. Elegant, quiet, unspoiled - never a convention.

THE MADISON. Take 6245. The new super hotel. Health & sports facilities.

SOVIET PLAN TO EASE ANKARA'S ENERGY PROBLEMS

Russia to build Turkish N-plant

BY METIN MUNIR IN ANKARA

THE SOVIET UNION is to build a nuclear power plant in Turkey and will guarantee fuel supplies for its operation. The plant is one of 20 projects under discussion between the two countries making up a portfolio of \$8bn.

The portfolio is an expanded version of a series of projects which have been under discussion between the countries for over three years. Nearly half the cost will come from the Soviet Union in the form of project financing.

These disclosures were made in Ankara yesterday at the end of the six-day annual meeting of the Turkish-Soviet Mixed Commission on Economic Co-operation, led by Mr. Ekrem Cetin, Turkish Deputy Prime Minister, and Mr. Simon Skatchkov, chairman of the Soviet State Committee on Foreign Economic Relations.

As a first step in the nuclear project, the state-owned Turkish Electricity Authority and V/O Atomenergoprom are to conclude a consultant-engineering contract to carry out feasibility and site studies. It is intended to decide on the location, capacity and type of reactor by the end of the year.

Ankara is also engaged in negotiations with Western companies for a 600MW reactor to be built in southern Turkey. Economic co-operation between Turkey and Moscow has been growing steadily since 1967, when after a long period of chilly relations, political ties started to improve.

The Soviet Union has become one of the biggest suppliers of project credits to Turkey. The Soviet Union is to assist the state-owned Turkish Petroleum Company in gas and oil exploration. Within three

months the Russians are expected to make firm proposals in this field, starting with geological surveys in south-eastern Turkey. Turkey is expected to receive 3m tonnes of Soviet oil this year.

Under other agreements signed yesterday, the Soviet Union promised about \$400m worth of project credits for the doubling of the Iskenderun iron and steel complex to an annual capacity of 2bn tons and the building of a new hydrogen peroxide plant and thermal power plant. Moscow has also promised to assist in the expansion of a Soviet-built aluminium plant and a refinery.

Soviet electricity supplies to Turkey's eastern and Black Sea provinces will be raised to 2.4bn KWh a year, with the erection of a second power transmission line between the two countries.

Speaking after the signing of agreements, Mr. Skatchkov emphasised the importance of energy for Turkey, saying the Soviets owed their growth to extensive investments in the energy sector.

He also revealed for the first time that the Soviets had proposed to explore for oil and natural gas deposits in Turkey as long ago as 12 years earlier. The signing of the \$400m deal yesterday, together with the discussions about the \$8bn package, indicate that the Soviets are holding out the prospect of generous project credits to support the building up of infrastructure, energy and basic industries.

The Russian desire to invest, however, has undoubted political implications, as Ankara's stout allegiance to the West continues.

Portugal's government poised to resign

By Jimmy Burns in Lisbon

THE PORTUGUESE government could resign shortly in the face of growing parliamentary opposition and last-minute amendments to its 1979 budget.

Although the general budget proposal was approved last week, the political parties, led by the Socialists, Communists and Social Democrats, yesterday presented more than 60 amendments.

These include the removal of the controversial tax on the extra month's wage, which is paid as a Christmas bonus, and further allocations for local government spending.

If approved, the amendments will increase the Government's budget deficit and complicate further its negotiations with the IMF. Part of a parliamentary offensive to bring down the present administration at whatever cost, they follow the tabling of two censure motions on Monday night, by the Socialist and Communist parties.

The suggestion that the Government might resign before waiting for the approval of the two motions was aired publicly for the first time on Monday by Sr. Alvaro Monjardino, the Deputy Prime Minister. In a television interview, he said that the Government would reconsider its position during its weekly Cabinet meeting scheduled for today.

Meanwhile, Portugal today faces a national strike by 27,000 railway workers in support of demands for a 23 per cent wage increase and better social conditions.

Protest strikes cripple Basque region

BY ROBERT GRAHAM IN MADRID

THE FOUR provinces of the Basque region were seriously disrupted by strikes and demonstrations yesterday. They were called to protest against police action over the weekend which resulted in the death of a young woman during an anti-nuclear rally.

In Pamplona, Tudela (where the death occurred) and San Sebastian, clashes occurred between police and demonstrators. It was the worst generalised unrest in the troubled Basque provinces for almost a year.

The protest demonstrations had been supported by widely differing political parties, but appeared to develop into a general confrontation between Basque nationalists and the security forces.

In Pamplona police made six arrests after protesters set up barricades, while in San Sebastian police used rubber bullets and tear gas to disperse demonstrators.

Two people, including an old man, received head injuries from the bullets. The leading unions claimed a big response to their call for protest strikes in the four provinces. The most widespread

industrial action was in Navarre Province, where Tudela is situated. This was the second day of what has been nearly a general strike there. In Guipuzcoa, whose centre is San Sebastian, union officials said that by mid-morning, work stoppages were general.

In Bilbao, shops remained open but some of the bigger industrial concerns were closed. Frontier traffic with France also halted for a time. Up to 2,000 trucks were delayed on both sides of the border because of a customs stoppage.

The protest has highlighted one of the fundamental problems the Government now faces in the Basque country. The Basques have little or no confidence in the security forces, especially those sent in from outside to maintain law and order.

The police version of how the woman, Gladis de Estal, was killed, claimed she was fatally injured when demonstrators tried to grab a policeman's gun.

One Press report yesterday quoted witnesses as saying a policeman hit the girl with the butt of his gun, and when insulted by her, fired at point-blank range.

Pope stresses Church's human rights role

BY CHRISTOPHER BOBINSKI IN WARSAW

IN HIS most outspoken reference so far to relations between Church and State in Eastern Europe, Pope John Paul II said yesterday that Christianity had an important part to play in the struggle for human rights.

Addressing the Polish Bishops conference at the monastery of Jasna Gora in Czestochowa, the Pope said: "Europe, despite its present long-lasting divisions of regimes, ideologies and economic and political systems, must not cease to seek fundamental unity."

He said: "Christianity must commit itself anew to the formation of the spiritual unity of Europe. Economic and political reasons alone cannot do it. We must go deeper, to ethical reasons" and added that churches in Europe have a great task to perform here.

He repeated fragments of a speech he made last January to diplomats accredited to the Vatican in which he said he would like to see more countries represented at the Vatican to make it "a centre of fraternal rapprochement."

Yesterday's speech was of great significance for relations between Church and State in Poland and for other countries in the Eastern bloc. First, the Pope repeated demands that the Church be allowed to perform its religious mission unhindered. That would include being allowed access to the media and permission being given for lay church organisations to be formed.

In effect, he declared that unless these conditions were fulfilled then religious freedom, which is guaranteed by various human rights agreements and by

the Polish constitution, would not be respected.

He said the question of normalisation of relations between Church and State had a "rich and varied history" but that the Polish episcopate was ready for a dialogue with the State. He stressed that this had to be an authentic dialogue which "respects the convictions of believers, ensures the rights of the citizens and ensures normal conditions for the activities of the Church."

After reminding the Polish bishops that at times carrying out their duties might "expose them to the danger of losing their lives and thus paying the price of proclaiming the truth and the law of God," he told them that they must work for normalisation of relations with the State in which principles would be clearly visible.

He said this would be practical proof that human rights were respected in Poland and that the State saw its role as an institution which served the good of the nation.

Later in the day the Pope told applauding listeners that the authentic unity of the nation required "the just guarantees of its rights and duties of each member."

People coming into Czestochowa today reported no problem getting into the city in contrast to the previous day when there had been reports from Church officials of harassment from officials.

Commenting on the possible reaction to the Pope's speeches from the authorities, a senior Polish church official said: "Really there was nothing in the text they could object to."

France facing 'continued increase in unemployment'

BY DAVID WHITE IN PARIS

A CONTINUED increase in unemployment is the most worrying of the economic prospects facing France between now and 1983, according to a Press report of a confidential "scenario" prepared by the government statistics service INSEE.

The initial projections show a job reduction of 650,000 between 1978 and 1983, thanks partly to productivity gains, which are expected to be greater than before the oil crisis. During the same period, the labour force is expected to increase by nearly 3m.

This suggests that the total of people who may be looking for a job in 1983 will be 3.7m, more than twice the current level of registered job-seekers. The projections for inflation show a progressive slow-down in consumer price rises, from 8.3 per cent in 1979-80 to 5.5 per cent in 1984-85, with an average of 2.2 per cent over the period. This assumption is based on a slow growth among France's main trading partners and an average inflation level dropping to 3.2 per cent a year.

Real disposable income is expected to increase by 3.7 per cent a year, picking up after a slower rate of 1.5 per cent this year, when families are facing increased social security payments.

UNEMPLOYMENT in Belgium fell to 285,851 at the end of May from 289,675 a month earlier. This compared with 276,743 people out of work in May last year, the Labour Ministry said, Renter reports from Brussels. A Ministry spokesman said the May percentage figure for unemployment was not yet available, but 7.2 per cent of the working population were without jobs in April, and 6.9 per cent in May last year.

Nominal hourly wages are projected as rising by an average 10.9 per cent a year, or 3.7 per cent in terms of purchasing power, and real earnings in the farm sector are expected to rise at a faster rate of 5.8 per cent a year.

At Lloyds Bank International, everything we do adds up to one kind of bank Resourceful

FOR companies and other organisations who operate internationally, Lloyds Bank International has many different resources to offer. Our strength is world-wide. It lies in the skills of our people, backed by the Lloyds Bank Group assets of £14 billion, our ability to mobilise funds quickly in a variety of currencies and in any part of the world, and our detailed knowledge of the international financial stage - the important people, the markets, the opportunities. All these add up to a depth of resources capable of solving your toughest financial problem.

Eurocurrency leaders One of our major skills is putting together the right package of Eurocurrency finance for our individual customers. In 1977 we managed forty syndicated loans totalling US \$6 billion. In 1978 we have been one of the world's foremost banks in lead-managing syndicated Eurocurrency loans. We are underwriters in over 85% of all Eurobond issues, and we are active as managers in this field. So you can see that whenever you need finance, it is worthwhile asking us first about getting the resources together.

Skills in major project financing Project finance, while it contains a very large funding element, calls for an ability to mobilise a wider range of resources than purely financial ones. Feasibility

studies, interpretation of technical data, empathy with the non-banking experts involved in the project - our level of



involvement in this complex aspect of finance is only matched by the skills we can bring to bear. Among major projects in which we have been involved are a large shipyard development in the Republic of Korea, an iron ore mine in Brazil and an aluminium smelter in Dubai.

Export credit - the know-how Often a vital part of international financing is the provision of an export credit package, plus the necessary guarantees. The Lloyds Bank Group holds around 25% of the market for foreign currency export credits originating in the UK.



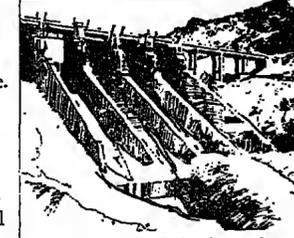
In addition, we at LBI have experts in the right places round the world with the local knowledge to put resources together in exactly the right way. This on-the-spot representation by skilled professional bankers is one of the major assets of the bank. A major resource, if you like.

All the services you need Supporting these key aspects of our world-wide activity are all the extra resources we offer in our full range of banking services. For example, we tackle corporate



finance from an international point of view, helping you to raise capital in the most efficient way or to make the best use of the money you already have available. Here, our money management service plays a vital part, enabling corporate customers to use the banking systems of the world in a way that maximises return or minimises borrowing requirements. Our investment services broaden the opportunities available to make the best use of your existing funds, either short- or long-term. And to complete the catalogue of the resources we have immediately on call for you,

our trust department helps you and your key internationally-based staff to solve a host of legal, taxation and insurance problems.



A Central American hydro-electric scheme which LBI helped to finance.

LBI - the resourceful bank Think of resources in the broadest possible terms, and you're thinking of Lloyds Bank International. People, skills, assets, in-depth knowledge, mobilisation of the latest techniques and technology - we have them all. And they add up to the sort of international bank we are. Resourceful.



The Lloyds Bank Group has 500 offices in all five continents, with a total of 15,000 employees outside the UK. Representation is particularly strong in all the major financial centres of the world.

DISCOVER YOUR PARIS OFFICE. GEORGE V TIME RENTAL OFFICES AND SERVICES OF INTERNATIONAL STANDARD YOU CAN RENT FOR AN HOUR, FOR A DAY, FOR A MONTH. CENTRE D'AFFAIRES GEORGE V, 30, AVENUE GEORGE V - 75008 PARIS. EXECUTIVE CENTRE.

LLOYDS BANK INTERNATIONAL. A member of the Lloyds Bank Group. International banking at its best. Lloyds Bank International Limited (Head Office), 40-46 Queen Victoria Street, (PO Box 241) London EC4P 4EL. Telephone: 01-248 9822. Offices and subsidiaries in over 40 countries around the world.

EUROPEAN NEWS

David Marsh examines the implications of the Bonn-Brussels currency row

Europe's monetary link showing strain

THE ROW between West Germany and Belgium over the running of the European Monetary system has exposed the basic strain behind this scheme to set up a zone of stable currencies in Europe.

Belgian allegations that the Bundesbank's dollar intervention tactics have provoked strains in the system have been followed in the past few days by the fall both of the Belgian and Danish currencies to their lowest permitted levels within the scheme against the D-Mark.

The Bundesbank, the dominant force in the running of the system, has given a clear sign that its priorities for managing the exchange rate of the D-Mark remain firmly geared to holding down German inflation rather than maintaining stability in the EMS.

With speculative funds already starting to move into the D-Mark in anticipation of a revaluation, the disagreement over the Bundesbank's intervention policy provides a foretaste of a more serious conflict in EEC ranks.

This is almost certain to break out this summer as pressure builds up for a first realignment of EMS currency parities.

The present controversy centres on the effect of recent heavy Bundesbank dollar sales on the Belgian franc, which since the EMS was set up two-and-a-half months ago, has consistently been the scheme's weakest member.

Over the past few months, the Bundesbank has been intervening strongly to prevent the dollar rising too much—out of a desire to keep German import prices, and thus inflationary pressures, as low as possible.

Belgium has protested that the Bundesbank's action has aggravated the weakness of the franc and turned the currency into the EMS's No. 1 devaluation candidate.

Germany hardly has an interest in seeing tensions developing in the scheme.

But for the Bundesbank, it is of only secondary importance that heavy support for the D-Mark within a few weeks, has helped the German currency rise from near the bottom of the system to its upper limit against not only the Belgian franc but also the Danish krone.

Both the Belgian and the Danish central banks have been forced into defensive intervention to shore up their currencies.

The weakness of the franc has compelled the Belgians to make two increases in their bank rate over the past month—in the teeth of a domestic economic slump.

But Belgian protests about the Bundesbank's action have failed largely on stony ground. In private, West German

rate movements on the other side of the Atlantic.

The episodes with the Belgian franc and Danish krone also provide ample illustration of the inevitability of periodic tension in any system of semi-fixed exchange rates linking the D-Mark to higher-inflation European currencies.

The experience of the European "snake" mechanism, illustrated in the chart, has shown that exchange rate realignments

rather than are forced by market pressures bank officials are the first to admit.

First, the larger membership and more complex nature of the EMS compared with the "snake" system not only will lead to more frequent pressure for parity adjustments. It will also make agreement on realignment even more complicated and tortuous than in the "snake."

The supreme Bundesbank fear Federal Republic at its word and try to keep their currencies as strong as possible.

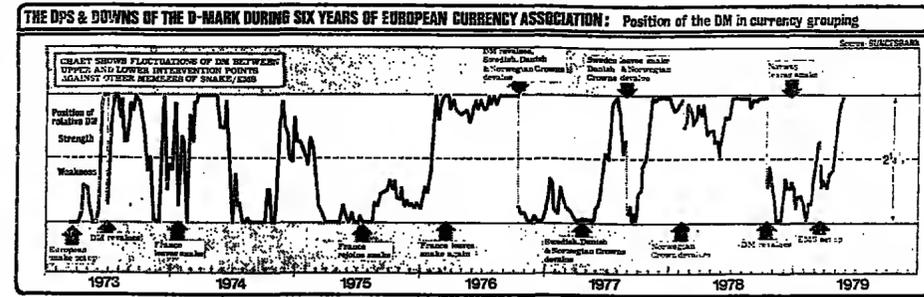
This also, of course, begs the question whether Germany will be willing to undertake D-Mark revaluations of its own bat, if other countries refuse to devalue their currencies—something the Bundesbank feels the Government may have to be prepared to do more often than was the case under the "snake."

Working out valuation changes among seven or eight different currencies, interlinked in a mechanism whose complexity goes far beyond that of the old fixed-rate Bretton Woods system, is a technical nightmare.

Second, the Bundesbank fears that the larger volume of credit facilities available in the EMS compared with the "snake" system, will embolden governments whose currencies come under pressure, to try to ride out the tug-of-war with speculators rather than deciding prompt devaluations.

Political pressures against devaluations, especially in France, where the Gaullists have attacked as a "capital error" the decision to re-link the franc with the D-Mark, add to the risk that countries will be unwilling to make timely changes in parities.

The Bundesbank can hardly complain if the rest of Europe, after years of listening to German lecturing on the benefits of stability policies and exchange rate discipline, now take the



OVERSEAS NEWS

Vorster sacrifice expected to defuse Muldergate

BY QUENTIN PEEL IN JOHANNESBURG

SENIOR NATIONAL Party leaders in South Africa are confident that the sacrifice of Mr. John Vorster, the State President as a result of the Information Department scandal, will silence further political demands for retribution over the affair.

Observers now believe that Mr. P. W. Botha may call a general election within the next 12 months to consolidate his position, and to minimise any continuing effects of the scandal on his regime.

The Prime Minister faces an immediate test in a by-election at Randfontein, former constituency of Dr. Connie Mulder, the disgraced former Information Minister. The result there, and in three more forthcoming by-elections will be a significant factor in determining the timing of a national poll.

Mr. Botha is confident that he will not lose more than a handful of urban seats, then he may go for an early election to wipe the slate clean.

The major problem facing Mr. Botha is not how to win electoral support, for he has three years to run on the mandate which Mr. Vorster won in November 1977. Rather he must concentrate on consolidating his leadership within the National Party, where the departure of Dr. Mulder, a spiritual leader of the Right-

Four under investigation after Erasmus

BY OUR JOHANNESBURG CORRESPONDENT

THE EXTENT of corruption practised by participants in South Africa's Muldergate scandal—quite apart from the international propaganda campaign and payments fund they identified, but four men are under investigation for alleged fraud and theft.

The four: Dr. Eschel Rhoadie, the former head of the Information Department, and paymaster of its secret funds, his brother Dency (his deputy at the department) and Professor Nic Rhoadie, a pillar of the Afrikaner business establishment, received several hundred thousand rands from the former Information Department between 1974 and 1978. The Erasmus Commission concluded that a large number of payments provided a prima facie case for prosecution for fraud and theft.

Dr. Eschel Rhoadie fled South Africa last November, and has refused to return, in spite of having his passport suspended. His brother Nic, a front man for secret projects, was discovered to have left the country last night when police called to confiscate his passport.

The finances of the four men were so complex, that the Erasmus Commission had to employ a full-time accountant for four months in attempting

to unravel the accounts of Mr. Alberts alone. He was found to have been used as a channel for more than R16m of secret funds, for projects ranging from the secret financing of T. T. Point magazine to films for black audiences, in the four-year period.

The commission added up all the money he had received in honoraria, consultation fees, commission on state funds invested and profits he retained from investments of secret funds, to a total of R338,465. Moreover he admitted deliberately creating an impossible tangle of his own finances and state funds to prevent the secret funds ever being traced.

Mr. Alberts was the key front man in the entire operation; he was managing director of To The Point, and subsequently of the other publication secretly financed by the Government. The Citizen. But he was also a close friend and associate of both Mr. Vorster, the Prime Minister, and General Hendrik van den Bergh, the head of the Bureau of State Security, for all three men were interned together during the Second World War for pro-German sympathies. The commission concluded that there was prima facie evidence of misappropriation by Alberts of state funds under his control... the com-

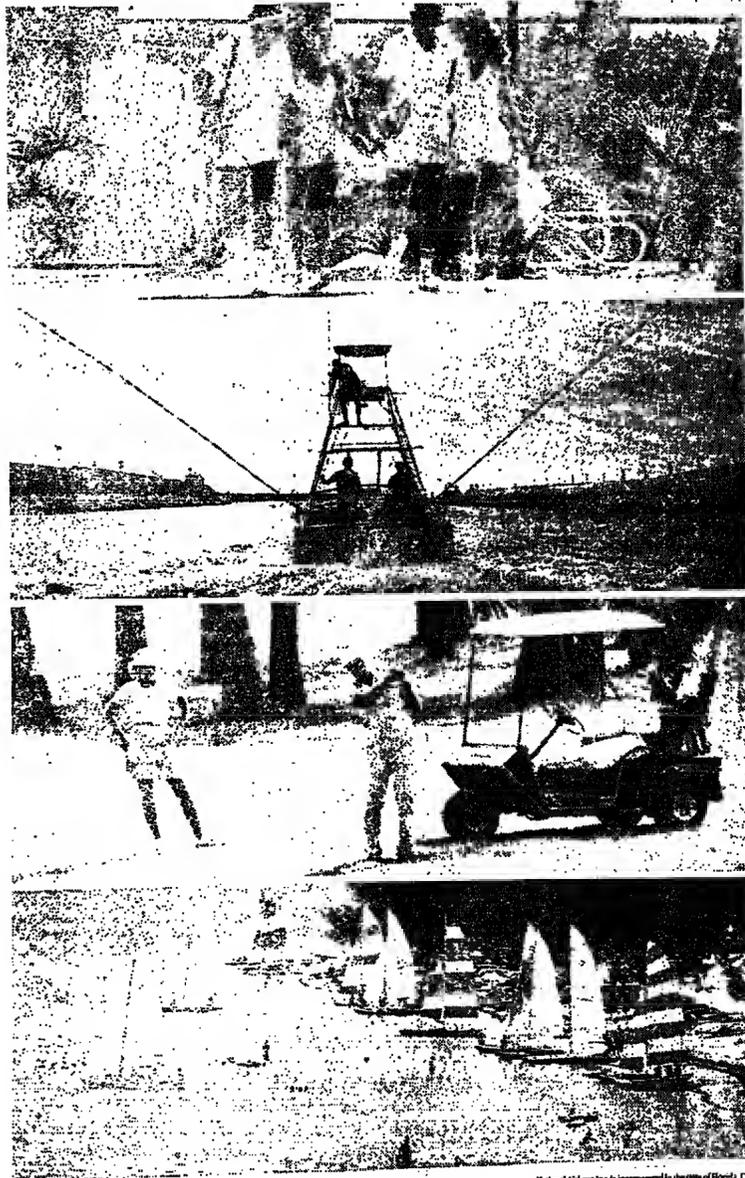
mission is of the opinion that the misappropriations point to theft and fraud.

The bank accounts of the Rhoadie brothers and Dr. Eschel Rhoadie's wife, were not quite so complex, but still included large numbers of unidentified transactions and between the accounts.

Dr. Rhoadie himself paid in more than R416,000 over the period, more than R123,000 of it in cash, when he was never earning more than R146 net a month. Professor Nic Rhoadie paid almost R215,000 into his accounts over the period, and the commission found that at least R15,000 was in payment for the various commissions he carried out for his brothers both writing for front publications, and organising conferences. Professor Rhoadie had several "interest-free loans" to his brothers.

The commission could not identify the source of the cash transactions but did trace several cheques drawn on its secret funds of the Information Department as "payment for anonymous collaborators" which were paid directly into Rhoadie accounts. It said that it had "strong suspicion" that the hand of the one Rhoadie had watched the hand of the other Rhoadie, and the actions of all three pointed to fraud and theft.

There's never a dull moment in Florida.



One of the best things about Florida - after the climate - is that you can play tennis, golf, go deep-sea fishing, sailing, horse racing or dog racing almost anywhere for just a few dollars.

No clubs to join, no formalities, no waiting lists. Just get up and go.

The endless sunshine, blue skies and warm, tempting sea are thrown in for nothing.

And we're only too pleased to take you to Florida. Because we know what it's like. We live there.

See your Travel Agent or call National Airlines on 01-629 8272 for more details.

National Airlines America's Sunshine Airline

Lessons for UNCTAD on rich-poor talks

THE DELEGATES have departed, the waste paper business is booming, and it is now time for the post-mortem on the fifth UN Conference on Trade and Development (UNCTAD V).

Most reports of this gathering, at which the poor confronted the rich with their latest demands, have indicated a disappointing outcome.

The few agreements reached have been contrasted with the time, energy and money expended by 5,000 delegates during their month here, not to mention the preparatory meetings and conferences.

Judged by its own grandiose objectives, UNCTAD V was a failure. But strip away the UNCTAD organisation's bombastic assumption that conferences and bureaucracies can initiate revolutions in the world economic order and it is clear that the Manila meeting was not a complete waste of time.

It produced resolutions, agreed by all nations, on some important world economic problems. It showed up some of the real as well as rhetorical economic concerns of both developing and developed countries, and taught some new lessons in the conduct of rich-poor and North-South negotiations, and about the procedures and organisation of UNCTAD itself.

They accepted the need for adjustment of their own industries to take account of the growth of productive capacity in developing countries enjoying lower labour costs and other advantages.

The resolution on these issues was significant because it was made possible by a flexible approach shown by those countries most concerned about developed country protectionism—the newly industrialising

UNCTAD V's Manila meeting will ultimately be judged on the two issues it identified: Helping maintain an open trade system during a time of world economic disturbance and substantially increasing aid to the poorest countries, PHILIP BOWRING reports.

middle-income developing nations. Pressing for a harder line, which was unacceptable to the developed countries, were some African and Arab States which are badly affected by protectionism.

The developing nations had originally demanded supervisory and surveillance machinery which in the view of the developed countries, compromised national sovereignty and undermined established GATT procedures.

From the point of view of developed countries, the agreement on protectionism was also important because it played a part in heading off a revolt by developing countries.

77 countries have in the past tended to insist that all be treated equally. Agreement was also reached at Manila on a resolution to promote economic co-operation between developing countries. This was a significant signpost to the fact that, with some developing countries growing very quickly, economic relations can no longer just be seen in North-South terms.

UNCTAD's most blatant failure was to achieve a consensus resolution on the subject at the top of its agenda: an evaluation of the world economic situation and the steps needed to bring about a new international economic order.

This was the forum that appearance of the energy issue and the first public disagreements within group 77 on the question. Energy had been kept out of the agenda to avoid offending OPEC.

Eventually, the Algeria spokesman for group 77 seemed happy to see the subject die because of the threat of the 0 issue seeping in.

In contrast, genuine disappointment arose on both sides that no progress at all had been made on monetary and financial issues.

One reason was that Group 77 was stubbornly united in opposing interference in the IMF which is already studying new and improved financing methods.

Handwritten signature or mark at the bottom of the page.

Anti-American feeling on increase in Tehran

BY ANDREW WHITLEY IN TEHRAN

OVER 150,000 IRANIANS marched through the streets of Tehran yesterday in a show of solidarity with Ayatollah Khomeini. The march, called at short notice to mark the anniversary of the 1963 uprising against the Shah, passed off peacefully despite widespread fears of clashes between rival groups.

The current tide of anti-American feeling in Iran was reflected in many of the huge crowd's banners and slogans. On the eve of the march, the Iranian Government took a turn-of-events to show its displeasure with the Carter Administration by asking for the appointment of Mr. Walter Cutler, the Ambassador-designate, to be withdrawn.

In response the United States appears to be digging its heels in, preparing to let Cutler remain at the charge d'affaire level for the time being. The State Department said in Washington on Monday it "had no plans to withdraw Mr. Cutler's name or assign him elsewhere."

Among the banners held aloft by the demonstrators, marshalled carefully into groups of several hundred, was one which read: "United States: get your goddamn hand off Iran or get our answer with hot bullets." Others called for the United States to leave the Middle East, while rhythmic chants announced in advance by the organisers included "Falsafin, victorious, Israel destroyed."

A resolution read out to the throng declared full support for Khomeini's leadership. It also called for the speeding up of purges in the civil service and the proceedings of the revolutionary courts.

In a speech to a large crowd in the holy city of Qom, Ayatollah Khomeini vehemently defended Islam as being the only basis for the Iranian state as well as the role of the clergy within it. He accused opponents of Islam of leading the people astray.

Tehran radio reported hundreds of thousands of demonstrators from other towns and cities all over the country, an indication of the continuing sway of the national religious leader despite the open criticism now being heard among many middle class people.

The demonstration in Tehran was unusual for its homogeneity, being made up overwhelmingly by laborers and their families. Revolutionary guards accompanied the demonstrators as they made their way from over a dozen starting points to the city's main central square.

NIOC denies contract-cutting for profit

BY OUR TEHRAN CORRESPONDENT

MR. HASSAN NAZIH, chairman of the National Iranian Oil Company, yesterday reacted angrily to allegations by a U.S. congressman that Iran was reducing agreed contract volumes so that it could sell more on the spot market at higher prices.

Acknowledging for the first time that Iran was engaged in a programme of supply cutbacks, Mr. Nazih said NIOC was trying to persuade its customers to take a little less than the amount agreed on so that it could satisfy other requests for contract purchases.

Cuts were made in the original agreements "only after complete understanding is reached," he said, but his assertion is viewed with some cynicism by foreign diplomats involved in the negotiations here.

The NIOC chairman justified the sharing out of available volumes from Iran on the grounds of current world shortages of crude oil. He said there was no question of cheating.

Reducing consignments was not done so as to raise the price of oil on the spot market, he said. "United States: get your goddamn hand off Iran or get our answer with hot bullets." Others called for the United States to leave the Middle East, while rhythmic chants announced in advance by the organisers included "Falsafin, victorious, Israel destroyed."

A resolution read out to the throng declared full support for Khomeini's leadership. It also called for the speeding up of purges in the civil service and the proceedings of the revolutionary courts.

In a speech to a large crowd in the holy city of Qom, Ayatollah Khomeini vehemently defended Islam as being the only basis for the Iranian state as well as the role of the clergy within it. He accused opponents of Islam of leading the people astray.

Tehran radio reported hundreds of thousands of demonstrators from other towns and cities all over the country, an indication of the continuing sway of the national religious leader despite the open criticism now being heard among many middle class people.

The demonstration in Tehran was unusual for its homogeneity, being made up overwhelmingly by laborers and their families. Revolutionary guards accompanied the demonstrators as they made their way from over a dozen starting points to the city's main central square.

Japan-Indonesia oil pact likely

BY RICHARD C. HANSON IN TOKYO

JAPAN is expected to reach an agreement with Pertamina, the State oil company of Indonesia, on joint exploration and development of oil fields, during an official visit to Tokyo by President Suharto of Indonesia. The President is due to arrive today.

The Japanese, led by the governmental Japan National Oil Company, are negotiating to establish a new company to cooperate in exploration with Pertamina.

The company, probably with the help of the Export and Import Bank of Japan and commercial banks, will finance the exploration.

The cost of exploration and development could reach about \$160m. Negotiations have been going on for several months. Private Japanese oil companies will join JNOC as participants in the venture.

During the last fiscal year, Japan obtained 13 per cent of its oil imports from Indonesia, against a 13.32 per cent share in fiscal 1977, as imports from China increased and Japan's total imports actually declined.

Since the mid-1960s, Japanese companies have been involved in a production company in Indonesia, the Indonesian Oil Company, which supplies much of the exports from that country to Japan.

Final details of the exploration pact are being worked out. The Japanese are confident that the areas to be explored are promising. The output would find its way to the Japanese market.

President Suharto will be accompanied during his five-day visit by Prof. Widojo Nitisastra, Minister of State for Economic, Financial and Industrial Affairs.

Since Indonesia devalued its currency drastically late last year, Japanese business has been clamouring for measures to ease the economic impact on Japan's numerous joint ventures there.

The Indonesians have apparently responded positively to some aspects of a strongly-worded letter from Keldaren, the powerful Japanese business organisation.

The letter was sent earlier this year, and the Indonesians have given some tax incentives to the joint ventures hit by revaluation. President Suharto will meet Mr. Toshio Doko, the Keldaren leader, later this week.

The Indonesian leader is making the visit in response to an invitation extended by Mr. Takeo Fukuda, the former Japanese Prime Minister, during a 1977 tour of South-East Asia.

Mr. Masayoshi Ohira, Japan's Prime Minister, and President Suharto will exchange views on Asian affairs, including the armed conflicts in Indo-China, the refugee problem, and economic co-operation between Japan and the Association of South-East Asian Nations (ASEAN).

China hints at thaw with Russia

BY COLINA McDUGALL

PEKING'S readiness even to consider the Soviet proposal to hold talks in July or August on normalising relations is the first real hint that a slight thaw in the freeze of nearly 30 years may be on the way.

The conclusion of the SALT agreement and the general lack of response in the West to Peking's dire warnings of the military threat from the Soviet Union may have influenced China to adjust its policy and put pressure in a new way on the U.S.

Alternatively, having achieved its objective in normalising relations with Washington, which was assisted by its hard-line on Moscow, Peking may simply have moved on to the next step.

That would not necessarily represent a whole-hearted swing to the Soviet bloc, but a redress of the lack of balance in China's attitude to Moscow in recent years.

Perhaps, even more important is the aftermath of the Vietnam war, in which Peking is faced with defending two frontiers instead of one. To have to keep up a defence along both the Sino-Soviet border and the border with Vietnam might seriously harm China's modernisation plans.

While Peking's foreign policy since Chairman Mao died has swung in public to his line that Moscow was the main threat to world peace, there have been signs that some in the Peking leadership might be reconsidering. One was the rehabilitation of the former Defence Minister, Peng Dehuai, sacked by Mao in 1959 for, among other things, advocating close relations with Moscow.

Another was the publication of an article on Sino-Soviet relations in a left-wing Hong Kong newspaper believed to air

the views of Vice-Premier Deng Xiaoping. The article said that the tension between China and the Soviet Union had already lessened and that the dispute between the two Communist parties had ceased.

It added that the realisation of the Chinese modernisation was China's greatest interest and, with them in mind, it was necessary to improve relations with Moscow.

In the reappraisal of China's economic plans, in progress since December, some leaders may have realised that the Soviet Union represents a source of technology almost as useful as the West. Sino-Soviet trade rose by nearly 30 per cent last year from roughly \$342m in 1977 to \$529m. Current

Chinese purchases are reported to include much-needed power generation equipment.

While the Chinese have explored numerous sources of Western technology and have accepted, though not drawn on, credit and loan arrangements, they have actually committed themselves to few long-term contracts.

There must also be disappointment in Peking at the collapse of textile negotiations with both Europe and the U.S., in which they had hoped to secure large quotas to help pay for their proposed imports. The difficulty of selling their light industrial products in the West might be a factor in turning them towards the Soviet Union again.

Moscow feels hemmed in

BY DAVID SLATTER IN MOSCOW

BOTH the Soviet Union and China are interested in large-scale barter agreements and trade could blossom in the right atmosphere, but the chances of anything developing soon are remote because ideological wounds, reopened by the Sino-Vietnamese clash, are still painful.

While the early July-August date suggested by the Russians for talks was something of a surprise, their positive response to the Chinese overtures was not. Moscow has consistently claimed to be ready for talks and to have refused now would have been a propaganda defeat.

The Russians feel hemmed in at the moment. NATO is talking about the Soviet threat and taking measures to increase its preparedness. Japan seems to have lost much of its interest in the Soviet Union as it seeks

stronger ties with China. China, itself, with its new expansive spirit and fresh appetite for Western technology and arms has tightened the ring.

The Russians would like a hard and fast notion of the limits of the new relationship with Peking. Ideally this would include an agreement on force levels on the long Sino-Soviet border where 48 Soviet divisions, a quarter of the army's strength, are stationed. The Russians would also like a resolution of the nagging border dispute between the two countries over 34,000 square miles of territory.

Trade between Moscow and Peking has continued even at the height of the mud-slinging. The Russians supply machinery, power equipment and lorries to the Chinese and import bristles, fruit and clothing. Last year two-way trade rose by 37 per cent.

Martin Dickson assesses prospects after the junior officers' coup

Ghana's new uncertain element

THIS WEEK'S coup in Ghana is extraordinary, even by the standards of a country which has suffered persistent political and economic crises ever since independence in 1957 — and which has since then, grown immensely disillusioned and demoralised.

The coup, which seems to have replaced the military Government of Gen. Fred Akuffo with an unidentified Revolutionary Council from within the armed forces, comes a mere two weeks before crucial elections. These are to choose the country's first civilian Government since 1972, when the army, then led by Gen. Ignatius Acheampong, seized power from the elected Government of the late Dr Kofoedea Busia. Gen. Acheampong was himself overthrown in a palace coup last July.

Confronted with what might be assumed, the men who have now seized power are broad-casting assurances that they do not intend to cling to power and want the elections to go ahead as planned. Do not stick to this promise, the consequences for Ghana would be extremely grave. Firstly, the army is immensely unpopular after seven years of political and economic mismanagement, and this could be manifested in civil unrest.

Secondly, the prospect of civilian rule has offered Ghana a degree of political purpose after years of drift and the loss of this would be the severest blow to its morale.

Thirdly, and arguably most important of all, Ghana desperately needs a firm hand controlling its shattered economy, trying to bring it back to a semblance of normality.

The Akuffo Government had started charting a sensible road back to recovery and the hope remains that an elected civilian Government will follow in its footsteps.

The indefinite postponement of civilian rule could, therefore, greatly increase the possibility of violent conflict in a western-leaning nation, which is not of great strategic importance, but is much admired for the hitherto peaceful and friendly nature of its people.

But the fate of civilian rule will not become clear until it is known just who has seized power and their motives for doing so.

The position in Accra remains highly confused, but seems to have been a take-over by junior officers and NCOs.

The first sign of trouble came in mid-May, when elements of the air force, led by a mysterious Flt-Lt. Jerry

Rawlings, botched a coup. Rawlings was arrested, but was freed this week by other members of the armed forces and went on to stage the successful take-over.

The only hint about motives given by the new rulers is that they wanted to end the "hypocrisy" and maladministration of the Akuffo Government.

Against this background, one theory in London yesterday was that the coup leaders had been distressed at the prospect of senior soldiers, long associated with the mismanagement of the Acheampong years, retiring honourably with the return to civilian rule.

According to this theory, impetus may have been given to their action by the Akuffo administration's harsh punishment of Gen. Acheampong.

After being detained since last July, it was announced several weeks ago that he had been dismissed from the army with ignominy, stripped of his property, and banished to his home village.

Whatever their motives, the coup leaders have injected a fresh element of uncertainty into the civilian rule programme, which has been characterised throughout by appalling muddle.

First, it was Gen. Acheampong

who brought political tensions to an intolerable level by foisting "Union Government" — a form of civilian-military power-sharing — on an unwilling population.

When he fell, the Akuffo Government backed away slowly from Union Government and towards a U.S.-style Presidential contest.

But there have been endless rows over the form of the constitution, the banning of many former politicians from elective office, and the number of parties allowed to run.

Amid the general confusion, most of Ghana's parties recently asked Gen. Akuffo to delay the handover date from July 1 to January 1 next year. He refused, but the new rulers might be more responsive to the idea.

Enthusiasm for the whole electoral process had been dampened by the country's grave economic difficulties, which mean that the average Ghanaian is no better off now than in 1957.

At the heart of the problem lies falling production of cocoa, Ghana's main foreign exchange earner, and failure to diversify into other crops.

Cocoa production is now down to about 250,000 tonnes a year, the lowest since 1958. Reasons for the decline include

the age of trees, and poor producer prices. Ghana, which once produced more than 30 per cent of the world's cocoa, now produces less than 20 per cent.

On top of this long-term problem, the Acheampong years saw grave economic mismanagement, most notably in staggering deficit financing, which pushed inflation to over 100 per cent, where it stubbornly remains.

When the Akuffo Government took over, it pushed through a much-needed package of economic reforms. The budget deficit was slashed, the producer price of cocoa was doubled, and the Cedi was devalued by more than 30 per cent.

Last March, it changed all old Cedi notes for new ones in a controversial operation designed to reduce liquidity and eliminate illegal holdings outside the country.

The broad thrust of the Government's policy was given the endorsement of the IMF when it granted Ghana \$85m in loans. But it was a policy which would take several hard years of rigorous implementation to produce a degree of economic normality.

With the new coup, it is hard to see where Ghana will be one week from now, let alone several years.

How to wangle 5 days on Queen Elizabeth 2 with the approval of your company, the taxman and even your wife.

If you're going to the United States or Canada on business, hear this: Crossing the Atlantic aboard the world's greatest liner costs much the same as an ordinary flight.

Yet our fare includes five days relaxation in highly congenial surroundings: delicious food, cabaret, casino, dancing, libraries, saunas, sports and swimming pools, indoors and out. The only extras are drinks and the customary tips.

If the thought of sailing to or fro appeals to you, take these easy steps:

First show your Company the parity between our air/sea fares and regular air fares (see box below). Then explain how much better you'll perform in the Americas after a few days off. Or indeed, how much work you could do on board. (We offer full office facilities, including secretaries and ship-to-shore phone.)

Next, consider taking your wife on the trip. *But not a word to her yet.* Either convince your Company that her presence will be good for business, or accept her fare as a well-earned bonus. (Note that two Cunard tourist fares equal one first-class air fare.)

Now, a word with your Accountant. Because there's the Inland Revenue to consider, and the matter of business expenses.

No doubt your own fare will be allowable. But your wife's will be a benefit in kind, in whole or part; so you'll have to fork out a little tax. When that's sorted out, tell your wife to start packing. Her approval won't be too hard to get.

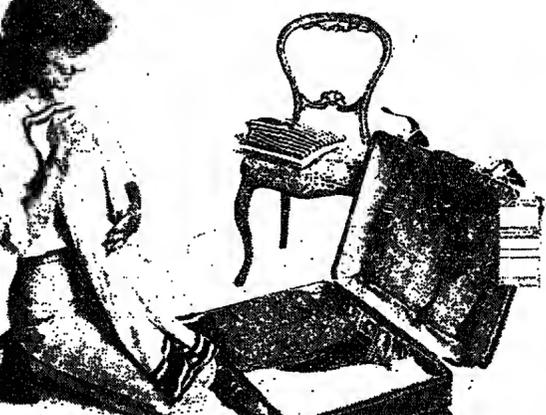
We cross the Atlantic regularly between May and November, and many of the voyages are made over weekends.

If your secretary calls (01) 491 3930 we will be glad to send details. And so, of course, will your Travel Agent.

One transatlantic experience we are unable to provide. There's no such thing as shiplag.

| Return Fares to New York. | |
|-------------------------------|----------------------------------|
| Cunard air/sea | Scheduled airlines |
| First class £740-850* | First class £798 (Concorde £958) |
| Transatlantic class £420-485* | £340-414* |

* Depending on season, Cunard fares include scheduled one-way British Airways flight in Club Class. They are also available to Washington, Chicago, Miami, Toronto, Montreal, Detroit, Boston, Philadelphia, Los Angeles and San Francisco.



QUEEN ELIZABETH 2

CUNARD LINE LIMITED

AMERICAN NEWS

Control of oil spot market suggested to Carter

By JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE TOKYO economic summit later this month must take "binding decisions" on energy policies, possibly including recourse to controls over purchases on the Rotterdam spot market, M. Jean Francois-Poncet, the French Foreign Minister, declared here yesterday.

In particular, he suggested that nations agree to place ceilings, as France does, on the price of the oil they import.

Control of the spot market, combined with real conservation measures, he said, could much improve relations between the West and the producing countries. "The possibilities of co-operation are blocked by our behaviour," he observed.

M. Francois-Poncet said he was encouraged by the U.S. attitude towards such moves that he had discerned in his talks here over the last two days with President Carter and other senior Administration officials. His colleague, M. Andre Giraud, the Industry Minister, is also engaged on parallel and more detailed negotiations.

The Foreign Minister certainly sought to take some of the tension out of Monday's sharp exchanges over the issue of the dollar's "entitlement" (or subsidy) being paid by the U.S. for the import of diesel and home heating oil.

Bidding

This had prompted Dr. James Schlesinger, the U.S. Energy Secretary, to charge that it was aggressive European bidding for oil on the spot market, not the



M. Jean Francois-Poncet who agreed in Washington yesterday that the current situation in the Middle East was a serious factor affecting the pricing of oil on the spot market. Some control on this market, combined with real conservation measures could improve relations between the West and the producing countries, he added.

U.S. action, which had forced up Rotterdam prices.

In addition, though the Foreign Minister insisted on Monday and again yesterday that energy had been the focus of his negotiations, the White House just as adamantly argued that Middle Eastern policies (specifically the lack of French support for the Egyptian-Israeli agreement) had predominated. M. Francois-Poncet acknow-

ledged that Middle Eastern political realities were clearly a factor in the current energy crisis. But he declined to criticise the approach of the U.S., merely saying that France had a "different analysis" of the shape of a Middle East settlement.

These issues, particularly energy, are to be taken up again tomorrow when Herr Helmut Schmidt, the German Chancellor, confers in the White House with President Carter. There were reports here, denied by the German embassy, that Herr Schmidt was discomfited by the fact that Mr. Carter has found time only for a single face-to-face luncheon meeting.

Support

If M. Francois-Poncet is right and the U.S. is inclined to support moves to control the spot oil market, then Herr Schmidt could face some tough questioning here. Germany has, out of necessity it claims, been forced to bid for oil in Rotterdam along with South Africa and Israel, whose freedom of choice is even more limited.

Never a man to take a defensive position, Herr Schmidt can be counted on to impress on President Carter the imperative of putting into place an effective energy policy. While declining comment on President Carter's domestic political problems in getting energy legislation through Congress, or even blaming the U.S. for excess consumption, M. Francois-Poncet noted the global imbalance under which 5 per cent of the world's population in the U.S. sucked in 30 per cent of available oil.

Sohio plans to buy Denver oil company

By Stewart Fleming in New York

STANDARD OIL of Ohio (Sohio), British Petroleum's U.S. subsidiary is proposing to purchase Webb Resources, a small Denver-based oil and gas producing and exploration company and an associated concern, Newco, for shares currently worth around \$82m.

Sohio said yesterday that it planned to issue 1,368m shares for Webb and about 354,000 shares for Newco.

Jointly, the two companies have around 1.5m net acres of oil and gas exploration rights in the Rocky Mountain states, partly in what is known as the "overthrust belt" thought to be one of the most promising areas for onshore exploration in the U.S.

Webb currently produces around 1,500 barrels of oil a day and 1m cubic feet of gas. Last year it had sales revenues of \$9.7m and net earnings of \$2m. The company is quoted on the U.S. over-the-counter market. The two companies have found it increasingly expensive to explore for oil and gas at great depths and the addition of Sohio's financial resources should speed exploration.

Akrenkiel buys Seatrain ships

NEW YORK—Seatrain Lines will sell four of its Euroclass container vessels to a German company managed by C. F. Akrenkiel GmbH for about \$58m.

The company will receive the money over the next 15 months and \$22.6m will be applied to retiring an existing debt with Continental Illinois National Bank and Trust now secured by the four vessels.

Inspection after Chicago crash may have caused new stresses in aircraft

Another 20 DC10s grounded

BY OUR U.S. EDITOR

THE Federal Aviation Administration on Monday night ordered a second grounding of part of the fleet of DC-10 airliners registered in the U.S. because of potential problems stemming from last week's first inspection.

According to the FAA, as many as 20 of the 134 DC-10s in service with U.S. airlines are subject to the new order, which was put into effect following a recommendation to the FAA by the National Transportation Safety Board, the independent agency.

At issue is a maintenance procedure used by several airlines both before and after the May 25 crash of an American Airlines DC-10 in Chicago in the worst civil aviation disaster in this country's history.

This involved the airline simultaneously removing both the engine and the pylon connecting the engine to the wing during inspection. The Board's investigation had found that when the unit was re-installed, a significant misalignment could result, producing other stresses on the engine-wing mount.

The servicing procedure recommended by McDonnell-Douglas, manufacturer of the DC-10, stipulate that the engine should be removed from the pylon before the pylon is itself removed from the wing. However a number of airlines, including American, had been in the habit of removing both elements together. American Airlines said it thought the procedure it was following was perfectly safe.

The board's recommendation to the FAA urged that airlines be ordered to "discontinue the practice of lowering and raising

the pylon with the engine still attached."

Meanwhile, a federal judge in Washington was again asked yesterday by lawyers for the Airline Passengers Association to order the grounding of all DC-10s for intensive investigation.

Last Sunday, a similar court plea before a different judge failed, and yesterday the second judge implied in court that he thought he lacked the authority "to tell the FAA what to do." However, he promised a prompt ruling on the case.

Canadian tax promises in doubt

BY VICTOR MACKIE IN OTTAWA



MR. JOHN CROSBIE, Canada's new Finance Minister, said yesterday that he will not be able to include all the Progressive Conservatives' promised tax cuts in his first budget next October. The Conservatives' promise to allow home owners to deduct their mortgage interest payments and rates from income tax did not have to be incorporated in his first budget, he said.

When reminded that Mr. Joe Clark, the Prime Minister, had promised that the mortgage scheme would be in the first budget, Mr. Crosbie said: "If

Mr. Clark made that commitment, then it will be included."

Mr. Crosbie said that his first concern was the battle against inflation, and that he might put off several campaign promises to subsequent budgets. The Tories promised to cut personal income taxes by C\$2bn (£400m) for low and middle income earners and allow a tax credit of C\$5,000 for investment in small businesses.

Indexing

They also promised more tax credits for research and development, the indexing of the capital gains tax to inflation and inflation accounting for corporate inventories. Mr. Crosbie

said he has no plans to change the policy of allowing the Canadian dollar to float on international markets.

Reuter adds: The new Government will stick to its pledge to move the Canadian Embassy in Israel from Tel Aviv to Jerusalem, according to Miss Flora MacDonald, the External Affairs Minister.

No date has been fixed for the move. "We will have to have a briefing on what, and how, and when that can be done," Miss MacDonald said yesterday.

The promise provoked one Arab diplomat in Ottawa to say that if it was carried out, Arab countries would have to strike back at Canada. He did not say how.

Venezuela power shift confirmed

By Kim Fuad in Caracas

THE LANDSLIDE victory by the ruling Christian Democratic Copei Party in last Sunday's municipal elections has consolidated the most important change in Venezuela's balance of political power in the past 20 years.

In collecting over half of the 4.5m ballots cast—the largest majority since 1958 when democratic rule was restored following a decade of dictatorship—Copei has replaced the social-democratic, Accion Democratica Party as the country's leading political power.

Since 1973, there had been a marked polarisation in Venezuelan voting with Copei and Accion Democratica collecting around 80 per cent of votes cast. Both parties are centre-left and strongly anti-communist and lean further left or right as a result of circumstances rather than ideology.

Accion Democratica's 7,000-vote margin over Copei in congressional balloting in December, when Sr. Luis Herrera Campins won the presidency, was obliterated on Sunday, when they won under 30 per cent, almost 1m votes less than Copei.

It was a major setback for Accion Democratica which has won five out of seven freely-held presidential and parliamentary elections since 1946 and dominated Venezuelan politics for nearly 35 years in power and exile, during the 1948-53 military dictatorship.

The municipal elections were also a triumph for Venezuela's traditionally-divided Left-wing parties which united forces on Sunday to collect nearly 18 per cent of the vote. The dissident Communist, Movimiento Al Socialismo party doubled its December votes, collecting more than 10 per cent.

Copyright battle nears conclusion

BY MAURICE IRVINE IN LOS ANGELES

THE WEEK before "Gone with the Wind" was shown recently on American television, according to Mr. Lew Wasserman, chairman of MCA Inc., there wasn't a blank video tape to be found in Los Angeles stores.

By the tens of thousands, Californians were copying the film classic for private viewing on home video recorders.

Mr. Wasserman, whose Universal Studios subsidiary is one of the biggest suppliers of TV films and shows to the world market, says he fears the videotape recorder will "destroy free television." In conjunction with Walt Disney Productions, MCA has filed suit against Sony Corp., complaining that its Betamax recorder encourages people to violate studio copyrights by taping top money-making movies in their homes.

Wasserman and Disney Board chairman Mr. Donn Tatum are seeking an injunction to halt sales of the Sony product, plus unspecified damages.

"Obviously, if everyone has a copy of 'Gone with the Wind,' said Wasserman in court recently, "there would be no value in it." MGM (and other film-makers) look on that prospect with horror: MGM's earnings for the first quarter of fiscal 1979 rose 217 per cent to \$26m (£12.5m), more than half of that from the licensing of "Gone with the Wind" to CBC-TV. The fee paid by CBS was the largest ever for a single film, and the overall deal for showings will eventually bring MGM \$33m.

Sony has invested millions in its Betamax, but the studios' investment in copyrighted films—which make enormous earnings from television, is much greater. So the stakes are high in this landmark case, and the implications for the entertainment industry far-reaching. Indeed, the questions involved, said U.S. District Judge Warren Ferguson rather bleakly as the case opened in Los Angeles, seemed better suited for resolution by Congress than in his courtroom.

Judge Ferguson is in process of hearing some 140 witnesses and examining more than 1,000 exhibits, ranging from complex technological documents to a 10-minute clip from "Horse Feathers," starring the Marx Brothers, as recorded on a Betamax.

That widespread "unauthorised" home taping is going on is not disputed. There are more than 800,000 video recorders of all brands in U.S. households; the court has been told, each owner has bought, on the average, 20-30 tapes. Tape libraries of films on TV are being created and swapped among Betamax owners, said Mr. Wasserman, arguing that it was "only common sense" that this practice would reduce the price networks will pay for first-run movies. Last year, he said, home-taped shows would inevitably attract smaller audiences. Producers could eventually be driven out of the TV market since programmes made specially for television require re-run income before they show a profit and there would be a substantial loss of viewers because of home recording. Ultimately, said Wasserman, there would be a shortage of TV product. Studio might also keep their films of television rather than see thousands of copies made from a single network showing. "That would spell the end of free TV as we know it," said the MCA chairman. "Management will have to judge—which is more viable: pay television or free television. If you don't want it copied, then you don't put it on."

Mr. Tatum of Disney testified along similar lines, adding the his company had refused all offers from Pay-TV and Cable TV. Pay-TV paid \$75m in copyright fees to the studios last year and Disney had discussed deals worth several million dollars, but rejected them because it feared the results of home taping. Sony, in response, has argued that in fact the Betamax increases the TV audience because the machine allows viewers to record one programme while watching another, or tape TV show while absent from home. Tatum a TV show, claims Sony is no different from recording a radio programme. "Both sides make out a good case," says one television industry executive. "But neither of them can prove it. This is a whole new field. No-one can be sure how it will go. Judge Ferguson's ruling I expected this month, but the case may be pursued through appeals courts for years."

Pan Am introduces 3 new ways to fly the world.

Some of the people we fly each day can afford the best service in the world.

Some simply want good service for the best prices in the world.

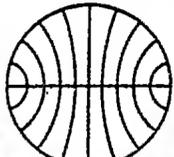
So, for our First Class passengers flying on our long-range 747SPs, we're offering a brand-new idea in deluxe service. Unique reclining Sleeperette® seats and private table-for-two dining with excellent international cuisine. As from April 29th, this service is available on our daily Heathrow to Los Angeles flight. Of course, our celebrated upstairs dining room remains a Pan Am exclusive on all our transatlantic 747 routes.

For the business traveller and others paying full fare, most of our 747 world-wide flights offer Clipper® Class, a separate section with free drinks and headsets, and an empty seat beside you whenever possible. Plus a lot more attention on the ground and in the air.

For people taking advantage of our special fares, we have Full Service Economy Class offering the same high standard of service Pan Am Economy passengers have always enjoyed.

Three great new ways to fly. To bring them to you, Pan Am has the world's largest fleet of 747s and 747SPs—the most advanced planes in the skies. Every one offering the kind of specialized service that can make all the difference on a long-distance flight.

See your Travel Agent. And choose the way you want to fly the world. On Pan Am.



We fly the world the way the world wants to fly.

INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from progressively paralysing MULTIPLE SCLEROSIS—the cause and cure of which are still unknown—HELP US BRING THEM RELIEF AND HOPE.

We need your donation to enable us to continue our work for the CARE and WELFARE OF MULTIPLE SCLEROSIS sufferers and to continue our commitment to find the cause and cure of MULTIPLE SCLEROSIS through MEDICAL RESEARCH.

Please help—send a donation today to: Room F.1, The Multiple Sclerosis Society of G.B. N.I., 4 Tachbrook Street, London SW1 1SJ.

Handwritten signature or mark.

Handwritten signature or mark at the top center of the page.

WORLD TRADE NEWS

Japan may offer Mexico cheap credit to aid oil purchases

BY WILLIAM CHISLETT IN MEXICO CITY
PANESSE BANKS are studying the idea of making long-term credit available to Pemex, the Mexican state-owned oil corporation, as part of a Japanese package for buying Mexican oil.

U.S. hopes for early agreement with China

THE IMPORT quotas the U.S. has imposed on Chinese textiles should help make an overall trade agreement with China acceptable to Congress, the Commerce Secretary, Mrs. Juanita Kreps, said this week.

HONG KONG TEXTILE INDUSTRY

Garment exports rise despite quotas

BY RHYS DAVID

THE Hong Kong garment industry is continuing to show the way to its rivals in other parts of Asia and Europe with a 30 per cent rise in the value of exports in the first three months of 1979—a performance achieved in spite of stringent quota controls in the main markets supplied.

had risen by only five points over the same period. Britain's own clothing industry has increased its production only marginally and has also diverted output to export markets, where a target

increase its value. This has meant moving into better quality shirts, more elaborate knitwear, fashion blouses, and sophisticated leisurewear for ski and other sports markets. Use of expensive fabrics, such

recently one of the largest suppliers of dressed skis used by local companies, but the colony itself now has three dressing plants, two of them opened in the past year.

One measure of Hong Kong's success in moving upmarket in recent years has been the rise in importance of its annual ready-to-wear festival, and there has been some consternation among manufacturers at the decision by the colony's Trade Development Council to postpone the next event until 1981.

The festival this year attracted more than 4,000 buyers and now demands a very large venue if all the events are to be housed on one site.

The Hong Kong Government is also expected to announce shortly its choice of consultants to study the possibility of building a major trade and conference centre in Kowloon. This would be designed for major Hong Kong displays such as the ready-to-wear festival and for exhibitions by overseas countries, anxious to show their products in Hong Kong.

In place of the ready-to-wear festival the Hong Kong Trade Development Council is expected to mount a large scale fashion presentation at the Igado trade fair in Dusseldorf next April. The council is expecting to take a large delegation of local manufacturers with it to the event, which is expected to draw around 35,000 European buyers.

Swiss clothing sales fall

By John Wicks in Zurich
SWISS exports of ready-made clothing fell by 3.6 per cent last year to SwFr 526.8m (£147m).

According to the Association of the Swiss Clothing Industry, exporters were forced by the high Swiss-franc exchange rate into price concessions in an attempt to retain their market shares.

Clothing imports meanwhile declined in value terms during 1978 by 4 per cent to SwFr 1,726m, though this was the result of a 10 per cent drop in average import prices in Swiss-franc terms.

At the same time, actual Swiss consumption of clothing continued the downward trend which has been evident since 1973. Retail sales of clothing and textiles fell by 1.3 per cent nominally and by 2.7 per cent in real terms in 1978.

This, combined with the fall in exports, meant that Swiss production of ready-made clothing dropped by some 5 per cent over the previous year's levels.

British mills which manufacture women's woollen cloths will have the opportunity in March 1980 of selling to leading Japanese buyers. Through the International Wool Secretariat's Japanese branch the mills will be able to show at the Material 9 Convention, at which 16 of the leading Japanese trading companies exhibit.

Indonesian visit

President Suharto of Indonesia will meet business leaders and possibly discuss bilateral co-operation projects during his four-day visit to Japan starting today, Reuter reports from Tokyo.

Indonesia has asked Japan for a large but unspecified credit facility for a \$700m oil refinery expansion project at Dumai, central Sumatra.

Total garment exports in the period from January-March reached HK\$ 3.7bn (£37m) and in the major markets by far the biggest growth took place in sales to the UK.

Britain currently is third behind the U.S. and West Germany in purchasing Hong Kong garments and in the first quarter increased its imports by 88 per cent to HK\$ 618m compared with HK\$ 328m in the same period last year.

Sales to West Germany rose by 54 per cent to HK\$ 723m and to the U.S. by 12 per cent to HK\$ 1,188m. Together with Britain these markets took 68 per cent of the colony's garment exports. Britain accounted for 16.6 per cent compared with 11.5 per cent in the same three month period last year.

Hong Kong, already the world's largest clothing exporter, has been benefiting from the buoyancy in retail sales of clothing in the UK over the past year, and more recently in Europe. Consumer expenditure on clothing in the UK at the end of last year was 12 points higher than in 1975 whereas spending on all items

of fibn worth of exports by 1980 has been set, creating a gap in the home market which has been filled by EEC and developing country suppliers.

Ironically the rise in value of Hong Kong's garment exports would also seem to be a direct, though largely unintended, result of quota restraints. In volume terms Hong Kong's garment exports in 1978 were around 7 per cent greater, indicating that the bilateral agreements negotiated under the GATT multi-fibre arrangement (MFA) with leading importers have been broadly successful in restraining exports at around the agreed rate of 6 per cent per year.

In order to make maximum use of quotas, however, Hong Kong manufacturers have upgraded their merchandise to

as silk, has also increased. There has also been a rapid move into garments outside quota control, as the rapid growth of leather and fur exports—one of the few remaining clothing product areas not subject to restrictions shows.

Exports of leather garments in 1971 totalled only HK\$18m but by last year stood at HK\$159m.

Exports of fur garments—very much an alien product in Hong Kong's hot climate—have grown from HK\$1m in 1971 to HK\$412m last year. The main markets for Hong Kong furs are Japan, which takes more than 80 per cent of output, West Germany and the U.S.

Manufacturers in the colony also look set to win an increasing share of the earlier stages of fur processing. The UK together with China, is cur-

Portugal and Angola to sign oil refining pact

BY JIMMY BURNS IN LISBON

PORTUGAL, the Portuguese nationalised oil company and Sonangol, its Angolan counterpart, have signed a general co-operation agreement as a basis for the conclusion of major contracts by the two companies during the coming months.

The agreement, signed in Luanda, was officially announced yesterday following its published signature in Luanda last week.

Petrogal and Sonangol have read on an interchange of technical knowhow given that a number of Petrogal's engineers have had experience working in Angola before the former Portuguese colony was declared independent in 1975.

Future contracts referred to in the agreement will involve processing of crude oil from fields in Portugal's main oil fields at Sines, South of Lisbon. The two companies have agreed to a greater co-operation

in the field of offshore and onshore oil prospecting in Angola.

The agreement is perhaps one of the most significant to have emerged as a result of the general co-operation treaty signed by the Portuguese and Angolan Governments in Guinea-Bissau last summer, and is a sign of the growing prospects for increased trade between Portugal and the richest of her former African colonies.

For Petrogal, the co-operation with Sonangol is expected to bring two major advantages: firstly, the diversification of crude oil supply to offset the effects of the Iranian oil crisis, and the greater utilisation of refineries which because of the restricted domestic energy demand have been forced to operate at reduced capacity.

Last year Iran supplied 21 per cent of Portugal's total oil needs and the Sines refinery ran at 55 per cent of total capacity.

Aircraft makers vie for trade at Paris air show

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

SEVERAL NEW civil and military aircraft will be appearing public for the first time at the Paris International Air Show which opens at Le Bourget on Friday.

More than 680 exhibitors from countries will be represented at the show, and over 250 civil and military aircraft will be on display either in the air or on the ground.

The aim of all these exhibits is to win a share of the big market that lies ahead through the 1980s, estimated to be worth over £300bn, of which only £230bn will be in the civil field and the rest in military aviation.

Among the new aircraft on display will be the UK Westland WG-30 transport helicopter, both civil and military use, the French Dassault Mirage in supersonic combat aircraft. The emphasis in the show, however, will be on what is available now, to enable airlines and air forces world-wide to equip themselves for the decade ahead.

In civil aviation, the A-300 European Airbus will be on display, but behind the scenes a major effort is being made to attract customers in its two airliner programmes, the two-engine Boeing 767 and 747, both of which are under development but which have not flown.

The major European and U.S. manufacturers will also be using the show to unveil plans for new ventures, testing market reactions before committing themselves to the heavy

investments that will be involved.

Aérospatiale of France will be showing a model of its A-200 design for a short-haul twin-engine airliner seating around 130-150 passengers, which may be built in the 1980s as a smaller complementary aircraft to the 250-seat A-300 and 200-seat A-310 Airbuses. British Aerospace will also be showing details of its studies in this field.

Aérospatiale is also expected to reveal details of a plan for a new 35-passenger short-haul "commuter airliner," the AS-35, which is aimed at this expanding market for inter-city aircraft.

In the business aircraft field, British Aerospace is expected to reveal details of its latest version of 125 business jet aircraft, and its new Jetstream 51 commuter liner.

Israel Aircraft Industries will also show details of what it calls "a completely fresh, new design" for a business jet aircraft to complement the Westwind aircraft, which is still in full production.

The Soviet Union is expected to exhibit several civil aircraft, including the three-engine short-haul YAK-42, 100-120 seater, and the big 300-passenger Ilyushin IL-86 Airbus, but it is unlikely that it will reveal any new military developments. ● Egyptair still intends to purchase four McDonnell-Douglas DC10s but is holding up a preliminary payment of \$5m pending more information on the recent crash of a DC10 in Chicago, AP-DJ reports from Cairo.

Argentina offers credit to China

BUENOS AIRES—Argentina has offered a \$300m (£150m) credit to China, for the purchase of non-traditional products.

Mr. Juan E. Dumas, under-secretary of economic international negotiations of the Argentinian government, said that the offer was made during a meeting this week of the joint Argentine-Chinese Economic Commission. Chen Jie, vice-minister of Foreign Trade, attended for Peking.

Mr. Dumas said that the list of products that China may purchase will be disclosed later.

Meanwhile Mitsubishi Motor has said it will begin exporting cars to Argentina next month following the Argentine Government's decision in January to lift its ban on car imports.

The company said it has concluded an agency agreement with A. J. Armando to sell 1,000 Mitsubishi cars in the first year of the agreement. Agencies



Priceless?

What's oil really worth? There's no absolute answer: only the fickle verdict of the market. For most of last year, slack demand and plentiful supply kept oil relatively cheap. Then the Iran crisis suddenly cut back supply. Since then, all oil products have become sharply more expensive. And because petrol demand has been growing fastest, the motorist has borne the brunt. So who profits? Above all, the oil-producing countries. OPEC announced price rises in December last year, but the post-Iran scramble for supplies has pushed prices in individual countries beyond even OPEC's expectations. Among industrial nations, Britain has

the unique advantage of North Sea oil. When prices rise in the Middle East, North Sea oil becomes more valuable overnight. That helps the balance of payments — and also increases the Exchequer's tax revenues from North Sea production. Petrol stations are doing better, too — in the nick of time. Most of them are small firms, which can't afford to run at a loss for long. During last year's price war almost 1,500 of them closed: the highest failure rate since 1971. That doesn't justify exorbitant prices today, but petrol stations do need to make a reasonable profit. Mobil is also looking for profits this year. Like most oil companies in Britain, we actually lost money on product sales last

year. And we can't go on like that, because we've been investing heavily in new plant. This year we'll be spending £70 million — several times more than we can possibly hope to earn. It's a prudent investment, because it will enable us to make more petrol from every barrel of crude oil. The payoff for the motorist is that there'll be more petrol to go around; the payoff for us is that we'll have more to sell. At what price? Frankly, we don't know. The trend is pretty obvious; but how much oil is worth depends largely on how much of it consumers want to buy. In that sense, it's a priceless commodity.



UK NEWS

Bus services may face 10% cuts soon

BY LISA WOOD

A WARNING that bus services could be cut by up to 10 per cent throughout the UK by the end of this month if fuel supplies are not replenished was made yesterday.

Airlines seek fare rises

BY LYNTON MCLAIN

FIVE airlines operating internal routes in Britain have applied to the Civil Aviation Authority to raise fares by up to 7 per cent to compensate for increased fuel charges.

Oil shortage 'may last to 1980'

BY CHRISTIAN TYLER, LABOUR EDITOR

OIL INDUSTRY executives expect the supply gap to last through the winter and into next year, and believe that, though it may be protracted, the short-fall will be manageable if it stays at about the present level.

Commission accepts BP and Esso rises

BY KEVIN DONE, ENERGY CORRESPONDENT

THE PRICE COMMISSION has found no evidence that Esso Petroleum and BP Oil have made excessive price increases for oil products this year.

Racing trust offer for Haydock

By Maurice Samuelson

AN OFFER to buy Haydock Park Racecourse for about £400,000 has been made by Racecourse Holdings Trust, a subsidiary of the Jockey Club.

Doubts over air passenger growth

BY LYNTON MCLAIN

THE WORLD airport system is in danger of cracking under the strain of passenger growth, Mr. Knut Hammarskjöld, director-general of the International Air Transport Association, said yesterday.

Many more girls now go to private schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MARKED INCREASES in the number of girls attending UK private schools this year are indicated by a survey published yesterday by the Independent Schools Information Service.

Retail volume at peak

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

RETAIL SALES in April were at their highest level by volume since April 1978, when an increase of 25 per cent in the higher rate of value-added tax was announced.

Hire purchase credit and retail sales

(Seasonally adjusted)

Table with columns: Finance, Retailers, Total debt outstanding, Retail volume (revised), and Current goods (1970=100). Rows include 1977 1st, 2nd, 3rd, 4th; 1978 1st, 2nd, 3rd, 4th; 1979 1st; 1978 October, November, December; 1979 January, February, March, April.

Commission accepts BP and Esso rises

BY KEVIN DONE, ENERGY CORRESPONDENT

THE PRICE COMMISSION has found no evidence that Esso Petroleum and BP Oil have made excessive price increases for oil products this year.

Racing trust offer for Haydock

By Maurice Samuelson

AN OFFER to buy Haydock Park Racecourse for about £400,000 has been made by Racecourse Holdings Trust, a subsidiary of the Jockey Club.

Doubts over air passenger growth

BY LYNTON MCLAIN

THE WORLD airport system is in danger of cracking under the strain of passenger growth, Mr. Knut Hammarskjöld, director-general of the International Air Transport Association, said yesterday.

Many more girls now go to private schools

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

MARKED INCREASES in the number of girls attending UK private schools this year are indicated by a survey published yesterday by the Independent Schools Information Service.

Retail volume at peak

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

RETAIL SALES in April were at their highest level by volume since April 1978, when an increase of 25 per cent in the higher rate of value-added tax was announced.

Hire purchase credit and retail sales

(Seasonally adjusted)

Table with columns: Finance, Retailers, Total debt outstanding, Retail volume (revised), and Current goods (1970=100). Rows include 1977 1st, 2nd, 3rd, 4th; 1978 1st, 2nd, 3rd, 4th; 1979 1st; 1978 October, November, December; 1979 January, February, March, April.

NOTICE OF REDEMPTION To the Holders of Occidental Overseas Limited 10% Guaranteed Notes due 1981

NOTICE IS HEREBY GIVEN that in accordance with the provisions of the Indenture dated as of July 1, 1975 of Occidental Overseas Limited and Occidental Petroleum Corporation to Marine Midland Bank International, a Delaware Corporation, as trustee, £1,800,000 aggregate principal amount of Notes will be redeemed on July 1, 1979 (herein called the "Redemption Date")

COUPON NOTES OF £1,000 PRINCIPAL AMOUNT OUTSTANDING. Table with columns: Coupon No., Date, Amount, etc.

HOLIDAY ACCOMMODATION LUXURY ALGARVE VILLA WITH STAFF Ideal company use. Superbly sited for 14 with own pool, cook and staff.

RESIDENTIAL PROPERTY WOODLANDS NORTHWAY, POTTERS BAR, HERTS. Set in approx. 105 acres (42.5 hectares) of park and woodland.

JERSEY CHANNEL ISLANDS A centrally heated luxury flat overlooking the golf course and having a first class bathroom.

JERSEY New Detached Chateau Magnificent Sea Views 4.5 Beds., 2 Baths, 3 Rec., Double Glazing, 30 ft. Balcony, 2 Cars.

COMPANY NOTICE AMERICAN EXPRESS COMPANY (CDSI) The undersigned announces that as from June 1979, the American Express Company will be paying with 0% 40p

COMPANY NOTICE EUROPEAN DEPOSITARY RECEIPTS REPRESENTING COMMON STOCK OF RONDA MOTOR CO LTD

COMPANY NOTICE THE COMMERCIAL BANK OF THE NEAR EAST LIMITED

CLUBS EYE, 189, Regent Street, GSA, 195, A is a club for the purpose of providing a meeting place for members of the GSA.

Jeffrey Pitts

Daimler



ENTER OUR NEW DAIMLER.

Change for change's sake has never been part of the Daimler philosophy. And demonstrating a superior design, more roomy and more lavishly equipped than ever before.

The new cars: the Sovereign and Double Six, the Vanden Plas 4.2 and Double Six, combine sublime smoothness, effortless power and ultimate technical brilliance. In the Series III is a beautiful blend of

everything that Daimler has always stood for and everything that today's owner and driver will expect his Daimler to be.



Manufacturers of fine motor cars through five reigns.

UK NEWS

A Derby owner could be £2m better off

BY MICHAEL THOMPSON-NOEL

AND SO to Epsom for a horserace. Today's 200th running of the Epsom Derby looks set to provide one of the great sporting spectacles—a fitting tribute to an event whose double-century history has been suffused with colour and tradition, privilege and pomp, scandal and excitement. On paper, it is just a horserace: a one-and-a-half-mile charge by three-year-old thoroughbreds over the ups and downs of a racecourse now owned by the State. In the flesh, the Epsom Derby—begetter of 200 lesser derbies from Chantilly to Tokyo and back—survives as an annual renewal of one of England's greatest social celebrations. By 3.25 this afternoon, up to 600,000 spectators will

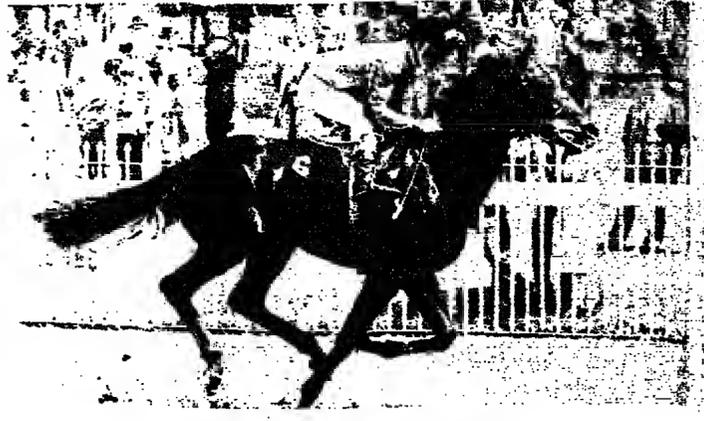
have made their way to Epsom. By around 3.35, the lucky owner of the winner could be more than £2m better off. Carrying £259,600 in total prize money, today's Derby will be the richest thoroughbred horserace ever staged. It is also expected to produce £25m worth of bets in Britain alone, generating the planet's highest-ever betting spree. All grandstand seats, at a minimum of £19.50 each, were sold long ago. The Epsom management anticipates a windfall, which will partly benefit charities, from the sale of Derby 200 souvenirs ranging from a £1.50 tee-shirt to a £3,000 brocade. The race has also produced enormous sales of unofficial bric-a-brac.

Owners with runners, fancied or otherwise, include the Queen (Milford), Robert Sangster of the Vernon football pools family (Acorn), Ravi Tikoo, the tanker tycoon (Halyudd), Capt. Marcus Lemos (Laska Flock), Lady Beaverbrook (Niniski) and Sir Michael Sobell (Troy). More humbly, Morveta is listed in the ownership of Quality Castings, Slough. Each owner has paid £1,000 to run a horse in the Derby. The winner's prize will be a record £155,760, of which the trainer receives 6 per cent, the jockey 4.48 per cent plus riding fee and the stable staff 3 per cent. The Horserace Betting Levy Board has shipped £70,000 into the prize money pool, and the Epsom

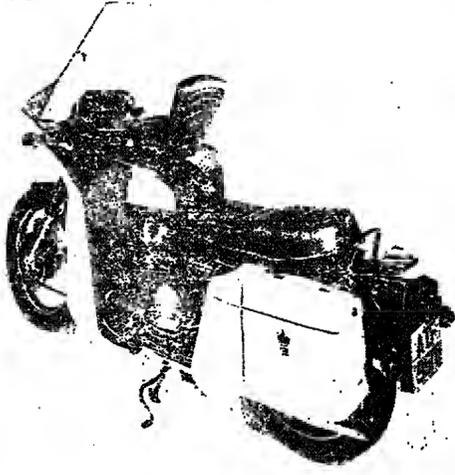
management an additional £30,000. According to the British Bloodstock Agency, the value of this afternoon's winner on the international bloodstock market should be at least £2m, given a modicum of breeding. The Queen's Milford, the best-bred animal in the race, would be worth up to £2m if successful. Milford will be steered by Lester Piggott, bidding for a record ninth Derby win. The Ladbroke Group says it expects to take £3.5m in bets by the "off". The company has laid Ela-Mana-Mon to lose £50,000 to a bet of £3,000, and is carrying on its book a Derby/Oaks liability of £132,500 to £300 against Hardgreen and Scintilla.

William Hill, which expects to take £2.5m on the Derby, says its biggest single bet so far is £50,000 to £2,000 against Hardgreen. For romantics everywhere, the best possible result would be a win for Milford and the Queen. But a ninth win for Lester Piggott will not be rewarded by an impromptu knighthood. A spokeswoman at Buckingham Palace said last night: "I would absolutely not expect it. There is no question of an instant knighthood. If at any time the Queen wished to give a knighthood to Lester Piggott, then of course she would. But not at Epsom. The Queen is not a gimmicky sort of person."

Racing, Page 16



The Queen's horse, Milford ridden by J. Mercer last year



The ESM 1

Safety motorcycle makes its debut

FINANCIAL TIMES REPORTER

BRITAIN'S first demonstration safety motorcycle, the ESM1, went on show at the 7th Experimental Safety Vehicle Conference in Paris yesterday. The motorcycle is being exhibited by Britain's Transport and Road Vehicle Research Laboratory. It is based on a production model of the 750cc Triumph Bonneville machine and shows the progress that has been made in the UK towards improving motorcycle safety. Six features of the motorcycle are: special metal disc

brake pads; anti-locking brakes; eye-catching appearance (motorcycles are not seen by about one third of the road users involved in accidents with them); chest pad; leg guard and digital speedometer. The motorcycle safety programme was started at the laboratory in 1973 in face of the rising accident toll among motorcyclists. The laboratory said that other road casualties have either been almost constant from year to year or have risen slowly.

Belfast challenge to Japanese dominance

BY OUR BELFAST CORRESPONDENT

IN A BID to re-establish a major motorcycle manufacturer in the UK the Northern Ireland Development Agency has announced a joint venture with a Bolton motorcycle company to assemble racing machines in Belfast.

The agency is forming a new company with E. Cotton Motorcycles, established in 1912, which produces specialist machines.

Mr. Terence Wilson, managing director of Cotton, said the venture was an attempt to challenge the dominance of the Japanese manufacturers in motorcycle sport.

The new company expects to begin production on a modest scale in two months. It will occupy a 5,500 sq ft factory in East Belfast and will employ few people initially.

It will concentrate at first on a 125 cc racing motorcycle and a 250 cc machine which has been developed with the assistance of Professor Gordon Blair of Queen's University, Belfast, an expert in motorcycle engineering.

Much will depend on the success of the 125 cc bike on the race track. It will be on trial during the Isle of Man Junior TT race today.

If the longer-term intentions of manufacturing production motorcycles are realised the

project could be employing a substantial labour force. Mr. Wilson said: "Eventually we are out to get the Japanese in all the markets and we will take each market in turn."

"We have not come to Northern Ireland cap in hand for money or for the grants. The province has a pool of motorcycling expertise and the available skilled labour."

Call for rural planning

AGRICULTURAL Development in outstanding areas of natural beauty should be brought within planning control say the Town and Country Planning Association. It feels some "agricultural" premises should be treated as industrial buildings for rating purposes. Mr. David Hall, the association's director, said "it seems to be totally illogical that, while the Countryside Commission claims that the scenic beauty in an area of outstanding natural beauty is less than that in a national park, these areas have little better protection than any other rural area."

The association said much of the work at present done by farmers and grant-aided by the Government goes against the conservation of these areas

Strong rise in payments of mainstream tax

BY DAVID FREUD

MAINSTREAM corporation tax payments—those on undistributed profits—rose strongly at the beginning of the current financial year, according to figures released yesterday by the Central Statistical Office.

The latest issue of Financial Statistics shows that the mainstream element of company taxation was up 85 per cent in April compared with the same month in 1978, at £197.3m.

Total corporation tax receipts, including advanced corporation tax, a withholding tax on dividends which shareholders can

credit against their individual income tax liability, were also substantially higher.

Total receipts amounted to £447.8m in April, a gain of nearly 31 per cent on April, 1978. Nearly all the increase was accounted for in the mainstream element, as ACT payments were up by only 6.1 per cent.

Erratic

This means that the mainstream element within the total in April was 44.2 per cent,

compared with 31.3 per cent in April last year.

It is probably too early to draw any firm conclusions from the figures since corporation tax payments are made fairly erratically through the year.

Nevertheless, the latest figures are in line with the sharp rise in mainstream tax payments over the previous financial year.

They may also provide an early indication that the growth of leasing activity is not likely to affect the buoyancy of mainstream tax receipts, as some analysts have suggested.

CONTRACTS

Foster Wheeler and McAlpine win Roche plant orders

BY MAURICE SAMUELSON

Contracts worth £80m have been won by FOSTER WHEELER and SIR ROBERT McALPINE AND SONS to construct a vitamin C plant in Scotland for Roche Products, the UK subsidiary of the Swiss-based pharmaceuticals group, Hoffmann-La Roche.

The cost of the plant, at Dalry, Ayrshire, will be £140m. It has attracted official grants of £46m and is being built in the UK despite strong bidding by other European countries and the U.S.

The civil engineering part of the work, to be carried out by McAlpine, is worth at least

£20m. The chemical engineering work, worth £60m, has gone to Foster Wheeler, which said the bulk of the equipment will be ordered in Britain.

Roche's workforce at Dalry, where it already produces other vitamins, will rise to nearly 1,000 at full capacity, while the construction and associated work will involve about 5,000 man-years.

The plant is scheduled to be in regular production in five years, with a capacity of one-third of world demand for vitamin C. Contractors for the £20m

power plant are likely to be named by the beginning of August. It will burn coal and natural gas, with oil as back-up fuel.

About 95 per cent of production is earmarked for overseas, and export earnings should reach £40m a year.

About half the present vitamin C production is used by the pharmaceutical industry in products including the Redelan and Redoxon tablets made by Roche. An increasing proportion, however, is used in food and feedstuff manufacture.

Dunlop wins Heathrow deal

A £1m contract for three pairs of Stargate passenger conveyors at Heathrow Airport has been won by the transportation systems division of the DUNLOP industrial group. The conveyors are improved versions of systems which last year formed part of the Gatwick Airport redevelopment. They will be installed in the new £8m British Airports Authority eastern satellite, designed to take more than 2m passengers a year on the busiest routes between London and major European cities. The satellite will be built on the aircraft apron between Terminals One and Two and linked to both by the conveyors.

British Rail, which is improving communications between stations and signal boxes in the Eastern Region, has placed orders worth £700,000 with the transmission division of PLESSEY COMMUNICATIONS at Nottingham. The orders are for PCM (Pulse Code Modulation) equipment which allows 30 speech channels to pass simultaneously over one pair of copper cables. Areas where the equipment will be installed include Colechester, Ipswich, and Parkstone Quay, Harwich.

PYE BUSINESS COMMUNICATIONS has been awarded a £352,000 contract by Strathclyde Regional Council for an 18-camera closed circuit television installation for surveillance in

Glasgow's Citrac (centrally integrated traffic control) system, initially covering the motorways and expressways within Glasgow. All the cameras will be fitted with one-inch camera tubes and 10:1 zoom lenses, and will have electronic character generators to show camera numbers and the mode of control when in use.

NOLTON COMMUNICATIONS has received an order worth more than £100,000 from Air Call for Sabre mobile radios for use in message handling and other duties. Strathclyde Fire Brigade has ordered more than 50 Sabres to provide a comprehensive communications system over more than 14,000 square kilometres. Nolton has also received a £60,000 order for its AM/FM convertible mobile from the AA for use with its patrol vans, and a contract for more than 100 mobiles for the Sunderland and South Shields Water Authority.

Orders worth nearly £100,000 for two large air handling units have been received by VENTILATION EQUIPMENT AND CONDITIONING for the Saudi Arabian port of Jubail. The units have capacities of 14.7m/sec and 12.88m/sec and will be installed in the kitchen areas. Each unit incorporates an automatically activated regulating damper and a 90-degree turning section. Other features include an inlet attenuator, secondary

bag filter, cooling coil and discharge attenuator.

The Polish tractor manufacturer Ursus is to install an additional £1.5m worth of BIRLEC heat treatment plant at its works in Warsaw. The furnaces will equip a new factory being built at the Ursus site to make Massey Ferguson tractors, part of a project to expand and modernise Polish tractor production, aimed at increasing the European sales of Polish-made tractors. Metalexport placed the contract with Birlec for the design of all five continuous case hardening installations needed at the factory. Two will be constructed at the Birlec works in Aldridge while the other three will be built under licence in Poland.

The Saudi Government agency Petroin has awarded NDT AND CORROSION CONTROL SERVICES of Kuwait a contract worth about \$3m for welding inspection and 100 per cent X-ray examination of the Saudi Arabian East/West crude oil pipeline. The 48-inch diameter pipeline extends 1,202 kilometres from Abqaiq to Yanbu on the Red Sea and the work is planned to be completed within 21 months.

BESBLOK has won a £75,000 contract for its Besterm fair-faced blocks for the second phase development of Telford's new town centre.

Builders wind up CABIN campaign

By Michael Cassell

THE CONSTRUCTION industry's anti-nationalisation campaign, CABIN, is being wound up following the Conservative victory at the general election.

But the National Federation of Building Trades Employers and the Federation of Civil Engineering Contractors, the joint sponsors of the CABIN campaign, said yesterday that they would continue to monitor the development of Labour Party policy towards construction.

They intended "to take whatever action is appropriate to meet any possible new threat of nationalisation or excessive state control."

The campaign was started in February 1978 to combat the construction nationalisation proposals contained in the Labour Party national executive com-

High failure rate for companies moving to regions

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE POLICY followed by both Conservative and Labour Governments of offering generous financial incentives to companies moving to the less prosperous regions of the UK seems to be failing, an official study published yesterday indicates.

Analysis of company closures by the statistical unit of the Scottish Office shows that companies moving into the regions have a significantly worse chance of survival than those moving into the Midlands and South East England. The new findings are likely to be controversial, since they dispute the conclusion of previous studies that regional policies were compensating for the regional disadvantages such as remoteness from markets, poor communications and services, and higher costs.

They will also strengthen the case for a new look at regional policy, which some economists believe is becoming increasingly expensive and ineffective.

Scotland emerges from the study with a particularly bad record. From 1968 to 1971, companies moving to Scotland had a closure rate 50 per cent higher than the national average compared to 10 per cent for the other regions.

New ventures suffered an even higher casualty rate. The failure rate in the Midlands and South East was 18 per cent below the national average. The gap widened further from 1972-75, when companies moving to Scotland had a 70 per cent higher failure rate than the

UK average. In the rest of the regions the rate rose to 46 per cent above the average.

In the Midlands and the South East there were less than a third of the average closures.

Despite the grants and loans available to new manufacturing companies, they were far more at risk in the regions than in Southern England.

The deterioration in the Scottish figures is surprising, since by the mid-1970s the Scottish economy was benefiting from oil development. It appears that neither this, nor the high level of Government assistance, was able to insulate companies from the problems of general economic decline.

The importance of this last factor is underlined by an examination of company closures within Scotland, which shows a disproportionately high rate of failure in Glasgow.

Australia visit for Thatcher

MRS MARGARET THATCHER is to visit Australia for two days on June 30 on her way back from the Tokyo economic summit meeting.

She will have talks with Mr. Malcolm Fraser, the Australian Prime Minister, on bilateral relations between Britain and Australia, the forthcoming Commonwealth heads of government meeting in Lusaka and the results of the Tokyo summit.

Sotheby's ancient glass sale makes £1.2m

SOTHEBY'S completed the auction of the Constable-Maxwell collection of ancient glass yesterday, the finest to appear on the market in 50 years. It made a total of £1,218,090 with just 4.5 per cent bought in.

Top price yesterday was the £73,000, plus the 10 per cent buyer's premium and 0.8 per cent V.A.T., paid by Robin Symes, the London dealer, for a yellowish green mould blown cup signed by Aristes the Cypriot and perhaps made in Syria in the first century AD.

Other good prices were the £18,000 for a pale green Islamic glass chalice and pattern of around AD 1400; £15,000 for a mosaic purple glass bowl of about AD 1100; and £14,000 for an amber glass Pilgrim's jug with Jewish symbols of about AD 600. The Royal Scottish Museum bought five lots for £3,490.

In Sotheby's book sale the first edition of Pavlov's famous book on conditioning, which carried a £23,000-£30,000 estimate, was bought in at £11,000.

One of the best collections of Japanese swords to appear on the market in recent years sold for £132,700 at Christie's yesterday. Sold on behalf of a private collector from Ipswich it was formed during the Meiji period from 1868-1912. The top price was the £28,000 paid by a private

American collector for a Tachi blade by Bizen Ichimonji Nobufusa, dating from around AD 1200. The Tokyo Gallery in London paid £15,000 for a Tachi blade by Bizen Masatsune, probably 13th century. An anomaly

SALEROOM

BY ANTONY THORNCROFT

mous collector £13,000 for a blade by Sadatsuna. A Tachi blade from around 1300 also made £13,000.

The Phillips furniture sale brought in £122,520. A pair of Chippendale carved gilt wood mirrors realised £6,400 and a similar wall mirror £2,200. The top price was the £5,600 for an 18th-century Dutch marquetry china cabinet. A 19th-century sculptured white marble figure of a girl playing a flute by Pelliccia da Carrara, dated 1838, went for £4,600.

Sea defence WORK ON the first stage of a £5m sea defence scheme to protect 20 miles of coast between Hapshipburgh and Winterton, Norfolk, will start this month.

Sorry, but we've just made your computer out of date.

It had to happen. Technical innovators like Sperry Univac can't sit still. And if your business is going to keep moving, you can't afford to either. So for both of us, the introduction of the new 1100/60 mainframe series computer is a big step forward. The 1100/60 offers a new low cost entry point into the famous 1100 series. It is the first computer to have multi microprocessors and it is based on a single operating system that gives complete compatibility from the smallest 1100 to the largest. This multi microprocessing will not only answer all your immediate computing needs, but will also be capable of keeping pace with any expansion your organisation makes. Add to that the fact that the 1100/60 is incredibly compact for its capabilities, and that it is also very competitively priced, you'll see that it is essential for you to find out more. So write or phone the Marketing Director, Sperry Univac Centre, London NW10 8LS. Tel: 01-961 2110.



Handwritten signature or mark at the bottom center of the page.

Computer can store 3,000 novels

By Max Wilkinson
U.S. COMPUTER peripherals manufacturer yesterday announced its first disc drive memory unit capable of storing more than 1.6m characters of information.
The unit, developed by emorex, occupies one square metre of floor space. It contains two separate magnetic disc spindles, each with a capacity of 850m bytes, or computer characters. Together they can store the equivalent of 3,000 novels.

ACCESS
Magnetic discs allow the computer to gain almost instant access to any part of the stored information.
The units, which will be available in Europe in September, are designed for attachment to International Business Machines' 303X computers. IBM currently offers disc drives with 1m bytes as the largest capacity in a single box.

Disc drives store information in magnetic platters which rotate at high speed. The discs resemble gramophone records, but the principle of operation is more like that of a tape recorder. Moving heads can read record onto the disc and add information previously recorded.

1 times
The increase in capacity of disc drives in recent years has been one of the most significant trends in computing. Eight years ago a Memorex machine copying the same floor space as the new computer could store only 60m bytes of information. By 1975, capacity had trebled to 300m bytes and it is 1,387m bytes—21 times the 1971 capacity.

Executive stress is worse down the pecking order

BY JAMES McDONALD

PEOPLE IN executive jobs most likely to break down under pressure or suffer heart attacks are not the chief executives but their assistants fighting for promotion, according to a team of specialist doctors who, under the auspices of the British Medical Association, have written a book on executive health.

They write that a central feature of business life is the battle for power and prestige, the pecking order.

"Some form of biological self-selection may operate which allows only innately healthier people to reach the higher and lonelier eminences of responsibility," say the authors. "It may be that only those with built-in resistance to stress succeed most dramatically in modern business life."

"If this is so, it seems logical to concentrate medical preventive procedures upon the second stratum of executives and on those younger men with apparent ability. Those who have got to the top are there because of their special toughness, and they have already passed the selection tests of time and experience."

When it comes to stress, what applies to men also applies even more to women. "I do not mean the extra pressures for a woman trying to climb the executive ladder against possible male- and female-prejudice," says one of the writers. "The pressure I am referring to is that of trying to do two jobs at once. Working all day and then starting again in the evening is bound to add to the stresses of executive life."

There was no sign that women suffered more stress-related illnesses than men, but smoking was still increasing

among women and they were inclining more to alcoholism. The book gives advice on everyday health problems and warns readers of the dangers of smoking and heavy drinking. It gives advice on how to minimise the effects on health of business trips abroad, including jet lag, and on the value of exercise and relaxation. It concentrates, however, on the two most worrying health problems for the executive—stress and heart disease.

"Some degree of stress seems to be necessary to add zest to an existence which might otherwise be only humdrum. We have no way of measuring the amount of stress which is ideal for the continued health of executives," the writers admit.

Although being an executive was less dangerous to health than being a miner or a steelworker, a breakdown in the health of a person in authority, leading to faulty judgment or erratic behaviour, could have serious consequences for a great number of people.

The BMA Book of Executive Health, Times Books, £4.95.

Uganda cholera warning

TRAVELLERS to Uganda may need to produce a certificate of vaccination against cholera after an outbreak near the Zaire border, the Health Department said.

Notices at British airports advise passengers to contact a doctor if they fall ill after returning from the country. Travel to Uganda may increase now President Amin has been deposed.

Workers' co-op at KME goes under hammer

By Rhys David

AFTER A long struggle for survival KME, the failed workers' co-operative on Merseyside, went under the hammer yesterday. In quick succession and with only a short break for lunch, Henry Butcher, the auctioneer appointed by the liquidator Bernard Phillips, went through almost 600 lots of surplus stock, machinery and miscellaneous items of equipment, most now destined for small engineering companies.

The auction, continuing for two more days, attracted about 100 buyers to the large blue-painted canteen-cum-theatre-cum-ballroom attached to KME House, the administrative block next to the factory.

Rejection

For £300 they could pick up lots consisting of 25 of KME's Toprad radiators, some 2,000 of which were auctioned with the dispatch department's contents.

About 3,000 more radiators came up today, when the auction moves on to goods in the warehouse. Remaining radiators will be sold on Thursday.

Most of the lots yesterday were tools used to make radiators, before losses of £1.7m and a final Government rejection of pleas for further aid closed the 700-worker co-operative last month.

An Edwards 6ft by 18 gauge folding machine went for £560, a Triangle production spot welding machine for £180, 15 four-wheeled trolleys £80 and a voltage stabiliser £40.

Most purchasers, according to the auctioneer, Mr. Frank Howard, were owner-users, with few dealers present. Some buyers had come from

GOWLEAZE ROAD KINGSTON-ON-THAMES SURREY
Henry Butcher & Co
Leopold Farmer & Sons
WEDNESDAY, 13th JUNE 1979
ELEVEN
CHINE TOOLS & EQUIPMENT
SAVING PLANT & ACCESSORIES
Including:
TYPE 55 4" AUTOMATIC DOWNSTROKE PRESS
TYPE 55 4" AUTOMATIC UPSTROKE PRESS
PROXECAM TYPE RG 300 HYDRAULIC UPSTROKE PRESS
"PALLAS" No. 2 OPEN FRONT GRINDER
VAN NORMAN No. 22 VERTICAL MILLING MACHINE
"New Model" 13 in Belt Linisher "Starlite" Bench Drill
"EDWARDS" MODEL 325 1250 00 GULLOTINE
Scrap Fly Press
"ATLAS" 6 in CENTRE BENCH LATHES
SUPERIOR 10 in x 5 in OPEN FRONT SURFACE GRINDER
2 1/2 Surface Tables 5 Angle Plates

Mr. J. L. Jindson, auctioneer, at the KME plant yesterday

the U.S. and are thought likely to be in the bidding for heavy presses when these come up for auction today.

From among the former employees Mr. Jack Spriggs and Mr. Dick Jenkins, the two convenor-directors, and the men mainly responsible for trying to keep the enterprise afloat, were present with a few colleagues, but the work force generally decided to stay away.

Unfinished

The factory itself has a Marie Celeste appearance, with unfinished radiators at various stages of production lying around, work formerly in progress remaining at some benches, and drawers open as their last owners left them. The plant, occupied in earlier

incarnations by Thorn and Pressed Steel, is among the biggest in the area, and it is only by viewing it that the size of the operation taken on by KME's workers can be appreciated.

The shopfloor graffiti, which in Liverpool usually concentrate on football, reflect the men's bitterness with their fate inside KME.

"Seven years ha ha" one sign reads alongside another tipping Peter Grimes in the 130 at Ludlow.

"I want to dance," reads another, while beside it there is the rejoinder "You're going to dance right out of the gates." The most frequent, made all the more poignant by the sound of birds singing in the roof of the now silent building, is "We are all doomed."

Warning of 'crisis' in beef and lamb prices

By Christopher Parkes

RAPIDLY RISING prices of beef and lamb could reach "national crisis proportions" this summer, Mr. Robin Pooley, chairman of the British Poultry Meat Association's marketing committee, claimed in London yesterday.

Warning of fillet steak at £5 a pound in six to eight weeks and mince at £1.20 a pound, topside roasts at £1.80 to £2, and rump steak at £2.50, he said.

"Red meat prices could become another national scandal,"

Mr. Pooley, who is managing director of Buxted, the frozen chicken company, added, however, that there could be some easing of prices in the autumn when beef and lamb supplies should rise in step with seasonal production changes.

He forecast a steady supply of reasonably priced chickens in the meantime at prices near present levels.

"To counter the possible danger of heavier supplies of red meats depressing poultry prices unduly, Mr. Pooley disclosed that he had already arranged to ship out 10,000 tonnes of British broilers to the USSR, Cuba, Africa and the Gulf during October and November.

Subsidy

"The deal has been done and dusted," he said. If need be, he had options to ship even more broilers out of the country.

The exports will be helped on their way with an EEC subsidy of 6p a pound.

Mr. Len Moss, of the Meat Traders' Association, dismissed Mr. Pooley's claims about future prices as "absolutely ridiculous."

Mr. Moss said: "He's talking rubbish... the customers would not stand for prices like that, and he is ignoring the ample supplies of pork and New Zealand lamb."

Prices of pork and imported lamb were virtually the same as at this time last year, Mr. Moss said.

Mr. Pooley also warned about imports of "lollipop" frozen chickens now coming into the UK from Holland and Denmark. He claimed that these imports, subsidised by the EEC, were inferior in most ways to UK birds.

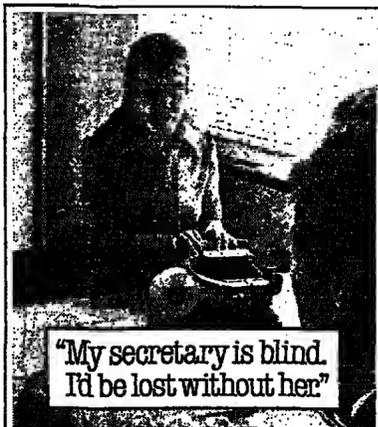
Samples analysed in his company's laboratory contained an average of more than 25 per cent added water. Mr. Pooley said. Average water content of British frozen broilers was 8 per cent.

Bacon imports, Page 31

Prentice names his secretary

MR. REG PRENTICE, Minister of State for Social Security, has appointed Mr. Cyril David Townsend MP, to be his Parliamentary Private Secretary. Mr. Townsend, 42, has been MP for Bexleyheath since 1974.

Dr. Gerard Vaughan, Minister of State for Health's Parliamentary Private Secretary will be Mr. Tim Rathbone MP.



"My secretary is blind. I'd be lost without her"

Sandy takes down her boss's dictation accurately, then types it out from her braille shorthand. Good speeds, good page layout. Sandy says there's nothing special about that—and she's right. The fact that she's blind makes very little difference to her efficiency. Sandy got her job on ability. And her ability won her promotion to personal secretary in an important Post Office department. That's the point. The RNIB trained Sandy at its Commercial College, and any firm that employs a qualified blind person will benefit from the demanding and professional training that we at the RNIB provide.

If you happen to be an employer, think it over. We'll be pleased to hear from you. Over and above that, the RNIB needs your help, through legacies and donations, to enable us to train others like Sandy.

RNIB

ROYAL NATIONAL INSTITUTE FOR THE BLIND

224 GREAT PORTLAND STREET, LONDON W1N 6AA
Under the Finance Act 1975, bequests in charities up to a total of £100,000 are exempt from Capital Transfer Tax.
Registered in accordance with the National Assistance Act 1948.

A FINANCIAL TIMES SURVEY

OVERSEAS CONSTRUCTION

JUNE 26 1979

The Financial Times proposes to publish a Survey on Overseas Construction. The main headings of the provisional editorial synopsis are set out below.

Introduction Competition for profitable work overseas has become more intense in the past 12 months, with some of the biggest markets proving more difficult than ever. Many large contractors face the problem of finding sufficient work to justify a continuation of their high overseas commitments in terms of finance, plant and personnel.

- UK Contractors Abroad
- International Competitors
- Iran
- The Middle East
- Provision of Finance
- Provision of Labour
- Insurance
- Government Support
- Consultants
- Joint Ventures and Consortia
- Foreign Contractors in Britain
- Building Materials and Plant
- The United States
- Nigeria
- Latin America

For further information and details of advertising rates please contact:
Peter Highland
Financial Times, Bracken House
10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 Ext. 360 or 272

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

The content, size and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor

ART GALLERIES

BLOND FINE ART, 33 Seckville St., W.1.
1224 BRITISH LANDSCAPE PAINTINGS, 1900-50—Allison, Bonham, Green, Hichens, Mennah, Morris, Nash, Smarokovic and White. Also CHRISTOPHER WOOD—Drawings, until 9 June.
FINE ARTS SOCIETY, 148, New Bond St., W.1. 19th-century French and English paintings and drawings.
GALLERY GEORGE, 86-88, George Street, W.1. 01-935 3325. Fine 19th and 20th century British and European oil paintings, watercolours, and graphics at local trade prices. £100-£2,000. Mon.-Fri. 10-6.
HAMILTON, 13, W.1. Carlos 499 8493-4. Important exhibition of the French late Impressionist painter Marcel Vertès, including oils, watercolours, drawings and lithographs.
J.P. FINE ARTS, 24, Davis St., London, W.1. 01-252 2825. PIERRE BONNARD. Drawings, May 28-July 5. Mon.-Fri. 10-6.
LEVYNE GALLERY, CONTEMPORARY PAINTINGS, Weekdays 10-5. Sat. 10-1. 01-252 1572.
MORTON MORRIS & CO. (in association with J. L. W. Davy), 22, Bury Street, St. James's, London, S.W.1. 01-530 2825. Exhibition of 19th-century French and English of the WEST INDIES until 22nd June. Weekdays 10.00-4.00, Sat. 10.00-1.00.

MALL GALLERIES, The Mall, S.W.1. Sculpture, Caricature, Artistic, Mon.-Fri. 10-6. Sat. 10-1. Until June 15. Adm. 20c.

NEAL BOURGHOIN & ALBEMARLE, S.W.1. SIOBHY NOLAN. 24-hour works and new graphics. Mon.-Fri. 10-5.30. Sat. 10-12.30.

OWELL GALLERIES, 40, Albemarle St., Piccadilly, W.1. New selection of fine modern French paintings, including Blanchard, Chiquis, Oudam, Olin, Cross, Veré, Jacob, Passet, Roum, etc., and fine modern British marine paintings and watercolours.

THACKERAY GALLERY, 18, Thackeray St., Kensington S.W.8. 01-937 5885. LESLIE PROTHERO. Until 19 June.

TRAVEL

CHUG THROUGH THE CHILDREN on a colourful canal boat, Sargowater Boats, Berkhamstead 044271 3715.

EXHIBITIONS

GROSVENOR HOUSE ANTIQUES FAIR, Park Lane, W.1. 13 June 8.00 a.m. to 10.00 p.m. 14 & 15 June 10.00 a.m. to 6.00 p.m. Admission £2.00 including illustrated handbook.

The Alfa

factor



...slaking industry's thirst for process perfection, as well as wetting millions of throats.
Clarifying, cooling, cleaning, heating, filtering—saving.
A unique combination of British brains and service backed by International finance and experience.
A unique contribution.
...The Alfa Factor



ALFA-LAVAL
The Alfa-Laval Company Limited
Brentford and Cwmbran

UK NEWS — LABOUR

Doctors and dentists set for 25% pay rises

BY NICK GARNETT, LABOUR STAFF

THE CHIEF element of yesterday's report of the Review Body on Doctors' and Dentists' Remuneration, set up in 1971 to advise the Prime Minister on pay for these groups in the National Health Service, is the recommendation to improve pay rates by an average of 25.7 per cent from April 1, this year.

This has been accepted in full by the Government, with all the others in the report. It represents the second of a three-stage process to bring doctors' and dentists' pay into line with that of comparable groups by April 1, 1980. The third stage will be the subject of another review body report.

In addition, yesterday's report "prices" individual items in the new contracts agreed for consultants and for medical assistants. Pay based on these new contracts is much more closely related to variations in work done and responsibilities

undertaken by individual consultants than under the old contracts.

Last year, the Review Body recommended payments in three stages for doctors and dentists. The first stage, worth 10 per cent, was paid. The basis of the 1979 report are the findings involved in the second stage payment, undated to April, 1979, levels by relating them to changes in earnings for other groups.

The review body makes it clear that doctors and dentists will have regained their rightful position in the earnings league only when "substantial" 1980 stage-three payments are made. These payments, says the report, will then reverse what it refers to as a serious decline in the morale of the groups.

The report says, however, that there is a need to stage the payments, and not pay everything in 1979 that it

believes is due to the doctors, in total. This staging, it argues, is necessary to contain inflation.

The report affects 27,000 general medical practitioners (1978 figures); 33,000 hospital doctors, including 12,000 consultants; 13,700 general dental practitioners, with some small related groups.

The total estimated cost of the general increase in pay, excluding expenses, superannuation and national insurance contributions, is £199m. Although the average rise in rates is nearly 26 per cent, increases in earnings vary for different groups. For junior hospital staff this is estimated at about 23 per cent, but it might be 30 to 40 per cent for some consultants taking into account payments under the new contract.

Estimated effect on earnings: house officer on the minimum

from overall pay of £4,930 last year to £6,024; senior registrar on maximum from £9,054 to £11,090; consultant on maximum from £12,084 to £15,909 (though on a slightly different basis for calculation); general medical practitioner, average net remuneration of £10,280 to £12,847 excluding hospital work; and general dental practitioner from average net income of £8,829 to £11,128.

The new contracts involve the creation of 10 basic contractual sessions ("notional half days") per week with the possibility of extra regular sessions. There are new fees for certain emergency calls and heavy on-call responsibilities. There are some changes in paid official travel. The total cost of the new contracts could reach £22.5m in the first full year or 14 per cent of the 1978-9 pay bill for consultants and medical assistants.

Salaries 'failure' criticised

By Alan Pike, Labour Correspondent

MOST OF the more acute problems which have faced the top salaries review body over the years have resulted from the postponement of decisions on difficult or potentially unpopular aspects of public service pay, particularly at top levels.

The committee says that in its experience postponement simply increased the problem and had a circular effect of its own. It would be a matter of great concern if, having accepted the recommendations of last year's report from the committee, which had become a problem of such proportions largely because of the failure to implement our 1974 recommendations in full, the Government again deferred action on the adjustments needed to bring the recommended salary levels into full effect in an up-to-date form.

Failure to bring the 1978 recommendations up to date in this way now would be a first step towards renewal of the problems which the 1973 decision tackled. It could lead to future difficulty in the face of a new accumulation of increases which, if dealt with at regular annual intervals, would more readily be seen to reflect the situation developing outside the public services.

In its report last year the review body recommended salary levels appropriate at April, 1978, and these are being introduced in stages to April, 1980. Yesterday's report recommends revised levels appropriate at April, 1979.

The report covers the salaries of senior grades of the higher Civil Service, senior officers in the armed forces, the higher judiciary and chairmen and members of nationalised industries' boards.

Nuclear power station shut

BY PAULINE CLARK, LABOUR STAFF

THE TRAFALGAR nuclear power station in North Wales—was shut as a precaution by the Central Electricity Generating Board yesterday when 100 technicians in a pay dispute voted to continue their unofficial work to rule.

The technicians, who are acting in defiance of an instruction by their union, the Electrical Power Engineers' Association, to return to normal working, refuse to carry out nuclear emergency training exercises.

The board said yesterday that although there was no radiological hazard and it had not been ordered by the Nuclear Installations Inspectorate (NII) to shut the plant, it felt it had little option so long as it was unable to meet the requirements of the nuclear site licence. The Health and Safety Executive stipulates that training is essential so that staff can practice emergency procedures.

The shut-down of one of the most efficient power stations in the country is expected to cost about £25,000 a week in replacement generating costs because alternative power sup-

plies will have to be found from coal-fired stations.

The 380 MW station will take 15 days to run down and another five days to start up again, although one of the two atom reactors was already closed for its statutory two-year overhaul when yesterday's decision was made to shut down temporarily.

Mr. Ken White, station manager, said yesterday he hoped the staff would reconsider their decision. A ballot of technicians had shown that they were not prepared to carry out exercises that should have taken place last April, so the NII was unable to do its job of ensuring that the operation was safe.

The board points out that the technicians' demand for regrading has already been discussed within the national negotiating machinery and the results of arbitration on the issue had been accepted by all sides, including the Electrical Power Engineers' Association.

Staff claim their pay lags behind that of colleagues doing similar work in coal-fired stations. They insist on local negotiations to sort out the problem.

Social workers end strike

By Pauline Clark, Labour Staff

THE LONDON Borough of Tower Hamlets, target of the longest strike by social workers, received its first sacks of mail for nine months yesterday.

The Post Office whose postmen had refused to cross picket lines, restored deliveries as the pickets were withdrawn pending a full return to work by the 160 social workers on strike.

The roused and strikers agreed on a pay and grading structure, with payment for special responsibility in a socially deprived area.

Problems of undermanning due to delays in recruitment and a backlog of mail which the GPO estimates will take three more days to clear are likely, the report says, to take "many months" to sort out.

The Tower Hamlets return to work is the tail-end of national strikes by social workers which began last August in Newcastle upon Tyne and Tower Hamlets with official backing of the National and Local Government Officers' Association.

At its worst point, the action involved 3,000 social workers in 14 areas. Their demand was for local bargaining on pay and grading.

A national network of regrading of social workers with local circumstances taken into account was ironed out with union leaders in February. All but the Tower Hamlets strikers returned to work after local settlements.

Further fringe disagreements between the unions and its social workers, part over the council's insistence on reorganisation of its social services department delayed the Tower Hamlets settlement. Agreement has been reached on regrading and pay rises of between £400 and £1,000, with £30 more for the "best stratum."

About 80 social workers in the district.

Widespread by the strike, of course, have been the problems of social services, with a "big budget" for social work. Tower Hamlets is the highest spender per head in social services in the country.

Examples of the salaries recommended yesterday compared with those which came into force in April, 1979.

| | April 79 | New salary | | £23,384 | £25,886 |
|--|----------|------------|--|---------|---------|
| Head of Home Civil Service/ Permanent Sec. to Treasury/ Secretary to Cabinet | £25,211 | £28,211 | High Court Judge | | |
| Under Secretary | £14,714 | £16,714 | Circuit Judge/Chief Metropolitan Magistrate/Sheriff A (Scotland)/ County Court Judge (N. Ireland) | £16,015 | £18,015 |
| Admiral of the Fleet/ Field Marshal/Marshal of the Royal Air Force | £24,936 | £27,936 | Nationalised industry chairman | | |
| Rear Admiral/Major General/ Air Vice-Marshal | £14,714 | £16,714 | NEB | £40,135 | £43,635 |
| Lord Chief Justice | £29,792 | £32,792 | BSC | £38,195 | £41,695 |
| Master of the Rolls/ Lord of Appeal | £27,261 | £30,261 | Post Office/British Rail/British Gas/British Shipbuilders/National Coal Board/British Airways/British Aerospace/Electricity Council | £32,945 | £36,945 |
| | | | National Freight Corporation | £25,025 | £28,025 |
| | | | British Waterways Board | £15,445 | £17,445 |

Union seeks renewal of aid to Prestcold

BY ALAN PIKE, LABOUR CORRESPONDENT

THE Amalgamated Union of Engineering Workers yesterday appealed to the Government to continue supporting the two Prestcold factories in Scotland, where 900 jobs are at risk, in the hope that a buyer for the plants can be found.

For the past three months the Scottish Office has been financing losses at the two factories under arrangements initiated by the Labour Government. A decision from the present Government on whether to renege on this arrangement is due this week.

Mr. Terry Duffy, president of the AUEW, said yesterday his union was convinced that the

Prestcold operation in Glasgow could be viable; the Conservative Government had indicated it would not support lame ducks but here it would be supporting a going concern.

The AUEW executive is writing to Sir Keith Joseph, Industry Secretary, urging him to continue to support the Prestcold jobs. Workers at the plants have drawn up a plan which they believe could ensure a return to profitability within 18 months.

Yesterday's AUEW executive meeting also decided to resume talks with leaders of the Electrical and Plumbing Trades Union on a possible amalgamation between the two. The talks have been suspended for some months while AUEW leaders tried to resolve the difficulties of their existing amalgamation.

Tube pay talks 'useless'

By Philip Bassett, Labour Staff

THE NATIONAL Union of Railwaymen said yesterday that it was useless for London Transport to call the union to talks aimed at averting a Tube strike for June 18 if no more money was available.

Routine talks set for yesterday to discuss pay with London Transport were called off by the NUR when union officials became convinced London Transport was not in a position to improve its 10.3 per cent pay offer.

Officials of all three rail unions met yesterday and reaffirmed the unions' claims for increases averaging 17-20 per cent for the 23,000 London Underground workers.

The train drivers' union ASLEF and the white-collar Transport Salaried Staffs' Association are expected to decide later this week whether to join the strike, although action by the NUR's 15,000 Tube members alone would be enough to halt all services.

Mr. Ted Miles, ASLEF executive member with responsibility for the Underground, said the signs were that the strike would go ahead.

The NUR's strike call was endorsed yesterday by meetings of Tube workers in London when they urged the executive not to call off the industrial action until the full claim was met.

Mr. Sid Weigbell, NUR general secretary, said the Government had found money for its priorities, such as the police, armed forces and top-salaried people. If London Transport was considered to be an essential service, money should be found for that too.

Mr. Weigbell will today meet Mr. Norman Fowler, Secretary for Transport, to discuss the Government's transport policy and in particular the 7 per cent diesel train passenger services cut announced by British Rail due to reduced fuel supplies.

Bakers want 35-hour week

By Our Commodities Staff

BRITAIN'S BAKERY workers are to press for a 35-hour week and longer holidays in their next pay claim. Delegates at the annual conference of the 26,000 strong Bakers' Union in Margate have already voted for a "substantial" pay rise. Yesterday they completed their demands for the December negotiations.

Mr. Willy Ormesher, executive member of Merseyside, said that a 35-hour week without loss of earnings would result in fewer closures of bakeries and losses of jobs.

Delegates also approved a call for four weeks' holiday instead of the present three weeks and three days.

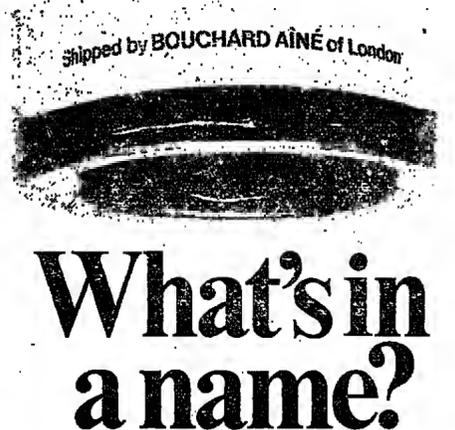
"They are better on detail than other airlines."

This is an authentic passenger statement.



Lufthansa
German Airlines

Consult your Travel Agency or our timetable for exact details of all our flights.



What's in a name?

A name that's recognised can inspire awe, envy or, in this case, confidence.

It's a name with a reputation for accepting only the best, and maintaining the highest standards. An assurance for the wine-buyer that his choice has been expertly selected and carefully shipped.

A very good wine reasonably priced. Distinguishing it from the ranks of all the rest in other words, a name such as ours can sometimes be all the guarantee you need.

Because when it says Bouchard Aîné on the label, it says a lot for the wine.

read the small print first

Bouchard Aîné

Burgundy specialists and shippers of fine wine
85 EBURY STREET, LONDON, SW1
Aîné devoting the eldest son of the family

The war that never ends

We British are a peaceful people. When a war over us like to consign it to the history books - forget it.

But for some the wars live on. The disabled from both World Wars and from lesser campaigns, or children - for them their war lives on, every day all day.

In many cases, of course, there is help from a pension. But there is a limit to what a Government can do.

This is where Army Benevolence steps in. With understanding. With a sense of urgency... and practical financial help.

To us it is a privilege to help these brave men - women, too. Please will you help us to do more - must not let our soldiers down.

The Army Benevolent Fund
for soldiers, ex-soldiers and their families in distress
Dept. FT, Duke of York's HQ, London SW3 4SP

اپرینوٹس

Obesity kills.



A fat warehouse, like a fat man, is an unhealthy one.

Usually, the problem is not that too many goods are going in. It's that they're badly arranged.

Rent, overheads, breakages and wage costs rise. So production and profits fall.

Stock levels and picking times increase, and customer service declines.

And, according to the evidence, the condition is a common one.

More than half the companies examined in a survey by the Department of Industry had an inefficient storage system.

And the total waste in British industry is more than £2,000 million a year.

It might seem that the answer to the problem is bigger warehouses. In fact, the answer is usually smaller warehouses, as many of our case-histories show.

In one case, we installed mobile shelving which reduced the width of the gangways.

Storage area was halved, which freed space for

extra production. Storage capacity was increased by 20%.

Picking times were reduced by 60%.

The investment paid for itself in 18 months.

In another case, we made use of wasted roof-space with high rise, narrow-aisle pallet racking, together with two stacker cranes.

Storage capacity was increased by 80%, with no increase in storage area.

Product damage was reduced by 80%, overheads by 30%, and picking times by 20%.

You can read 100 of our case-histories in our "Book of 100 Answers."

And we can plan, supply and install anything from a bay of shelving to a complete automated warehouse.

Which should help, whether your company is large or small, to improve its state of health.



We'll help you make money out of thin air.

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

TELEVISION

Flying dot makes the picture

MANY new areas of application for liquid crystal displays—including large flat-screen TV equipment—could be opened up if the possibilities envisaged in a newly patented invention can be brought to fruition.

A long way ahead of the present uses of liquid crystals in watches, calculators and the like, the invention proposes a general-purpose display system based on two liquid crystal screens built up from arrays of very thin parallel stripes of material and arranged so that the stripes are at right angles to one another. Behind these screens there would be a source of light—electroluminescent or projector-lit translucent panel, or the latter with a colour filter added.

To generate one spot of a given diagram, all horizontal stripes save one would be activated and all vertical stripes save one. The intersection of the two gives a "flying spot". By addressing the two rasters by appropriate signals, the spot can be made to move anywhere in the screen area, and at very high speeds where required.

Picture generation, which requires modulation of brightness, can be achieved by altering the intensity of the light source operating from behind the crystal planes. Or the flying spot itself can be varied as to light transmission by applying a voltage to the appropriate raster strip(s) to create a degree of polarisation.

Interposing a sequential colour filter between the liquid crystal displays and the light source allows working in colour.

The whole idea can be taken a stage further by back-projecting the image from the displays directly on to a ground glass screen or indirectly from

a mirror in a screen. Thus there would be little to hinder users from building screens of virtually any size.

Whatever the final outcome of the invention, it could very easily be used to show waveform data and cinematic or motion picture type displays by using, with the screens, TV raster generated data or micro-processor encoders. The lattice-work segments may be addressed individually or in multiples so that several flying spots can be working simultaneously to form an image. And as said before, the screen can be made to carry varying degrees of light and shade by appropriate polarisation of the liquid crystals.

Further details of this invention from Frank Burbank Associates, 30, Baker Street, London W1E 2EZ.

HEATING

Cools it down

FOR THOSE who have to endure heat and the discomfort of poor ventilation in busy work areas, there is a portable variable speed fan designed and constructed by Airstream, 30, Thomas Street, Bristol (CT2 2SS).

Providing positive air movement with adjustable direction, and variable power speed from high speed down to a breeze, the Man Fan operates at a range of up to 25 metres. Its very low noise level, suggests the maker, makes it suitable even for retail outlets.

The fan is housed in a sheet steel case which has two wheels to make it easy to move around.

COMMUNICATION DATA PROCESSING

Broadcast units from Germany

ALREADY WELL known elsewhere in Europe, a modular public address system called Teimos, manufactured by AEG-Telefunken is to be made available in the UK.

Systems can be built up from over 40 modules, including items that have been designed to withstand hazardous conditions such as corrosion and explosion. There are separate modules for broadcast music, making pre-recorded announcements, controlling factory break periods and zone selection of broadcast material.

The design approach lends itself to easy supplementation, allowing the needs of a growing organisation to be met and the items are easily installed by plug-in connections—no trunking is needed.

More from the company's engineering division at Market Street, Maidenhead, Berks. SL6 8AE (0628 38171).

METALWORKING

Japanese machining centres

VAUGHAN Associates has been appointed sole agent in the UK for OKE machining centres, manufactured by the Osaka Kiko Company in Japan.

The machines are available in horizontal and vertical designs and cover capacities from 400 x 400 x 400 to 800 x 2000mm with magazines for up to 40 tools. Automatic tool change is by random selection and the next tool is indexed into "ready" position during the machining cycle.

The Fanuc control system normally fitted is stated to be backed by good service facilities in the UK.

A machine is to be installed at Vaughan's works in Abbeyfield Road, Nottingham during July, so that its capabilities can be demonstrated.

Insac develops broad base

IN ITS first full year of operation, INSAC acquired key staff, invested in several significant new products, explored a number of U.S. acquisition prospects and launched marketing activities in the U.S. and the rest of the world. Start-up costs and investments produced losses for 1978 of £1.3m.

This organisation is one of the NEB's offshoots. It was set up under the previous government as a related how from DoI to the importance of the software industry in Britain, and recognised the fact that it is a very difficult industry to help directly, because of its very nature.

The Damocletian sword of Sir Keith Joseph is believed to hang over INSAC, though it has already produced concrete results from a minimal outlay.

The financial profile is expected to show losses for the

early years while marketing channels are established and related products are developed.

Experience in 1978 led to a change of the initial five-year strategy and as a result business is developing along two separate paths. It provides finance for its member companies (CAP, Logica, S.D.L. SPL, Systime), via its product bank to enable them to establish themselves in key international software produce markets.

It markets a range of Viewdata systems developed in conjunction with its member companies. In this connection it has taken an exclusive U.S. licence to Prestel, the Post Office Viewdata system.

During 1978 the "Product Bank" provided product/market development finance for a Series 1 version of RTL/2 (SPL), a range of interactive graphics products (CalComp/SPL), ex-

pansion of CAP-CPP Inc's U.S. activities, and Systel, a tele-processing monitor (Systime).

Total funds invested or committed to member projects are now just under £1m.

In addition INSAC is investing in a range of Viewdata products which will be marketed throughout the world.

In May the NEB approved INSAC's five year corporate plan which called for a total investment of £20m. INSAC's 1978 accounts indicate that £9m of equity finance has been committed by the NEB. These funding arrangements allow INSAC to continue with its current investment programme, to enter into long-term associations with major international corporations and to negotiate acquisitions in good faith.

Insac Data Systems, 17 Lincoln's Inn Fields, London WC2A 3EG. 01-831 7338.

U.K. software threat

ANOTHER BRITISH captain of industry has given a view on the forthcoming "silicon society" and what is needed for the UK to take its rightful place in it.

He is Colin Crook, managing director of Rank Precision Industries, speaking at a luncheon during the recent Microcomputer Forum held by Motorola at the IEE.

Pointing out that in the U.S. the success of the micro-computer industry can be traced to the efforts of perhaps "30 people" backed by energetic well-paid teams, he said that British industry would have to return to the days when the individual counted—financial differentials would have to return. Furthermore, the country would have to stop fighting technology and start to exploit it.

Mr. Cook also cast a sideways glance at the UK national effort to enter chip production in relation to the moves of established companies—he feels that the trick will be not so much in making the chips as in deciding what circuits to put on them, bearing in mind that im-

provisors on a chip is not too far away.

The trend, he said, will be away from the silicon chip and into the silicon system implying that this could have some serious effects on what he called the "great white hope" for the UK to date—our pre-eminence in software.

The UK would have to pay particular attention to the needs of the chip and its successors because the U.S. he said, is already moving rapidly in assembling the necessary resources for a determined assault on the 810 line of code. Their aim is five cents per line or even lower, via standard software modules in very large scale integrated form.

There would no doubt be an accompaniment of energetic and world-wide marketing.

The UK, said Crook, must recognise the rapid shifts taking place in this area and anticipate the future needs of microsystems now. 1984, he said, would be too late just as our sudden discovery at establishment level of the chip in 1978 was about three years too late.

COMPONENTS

Senses the pressure

INDUSTRIAL pressure transducers from Darenth Weighing Equipment have been designed to suit both conventional and computerised process control systems.

Typical applications include process weighing, monitoring electrical supply cable gas pressure, process pressure measurement in petrochemicals and pressure measurement in soil mechanics.

A self-contained unit with signal conditioning and power supply it requires little site work.

The range embodies over 20 standard transducers and replaces the earlier series which still remains available for replacement.

Pressures are from 1 millibar to 500 bar-gauge, absolute or differential with output in bipolar voltage up to 20v or 4-30 milliamperes.

Pressure-sensing is by a corrugated capsule stack, capsule displacement being deliberately small, and movement is converted to an electrical signal by a linear variable differential transformer. The resulting signal is conditioned and compensated for temperature change, before driving the output circuit, to achieve good hysteresis and linearity characteristics.

Individual circuit boards are used for each function and are mounted on a sub-chassis for housing in the various enclosures.

Normal operating voltage is 110/240 Vac +15 per cent, but options include a battery supply. The unit will perform in ambient of -10 deg to +50 deg C.

Darenth Weighing Equipment, Gray Avenue, Croydon, Kent BR5 3RJ. 0689 72901.

LUBRICANTS

Controls the supply of oil

NOT ONLY petrol and heating oil will be conserved as prices escalate but the consumption of lubricating oils will also need to be more carefully considered.

One answer of course is simply to not feed more lubricant to moving parts than the minimum requirement, and certainly to cut off the supply when the machinery is not in use.

Blomatik of Cotswold Street, London SE27 0DP (01-761 1211), a supplier of oil, grease and fluid grease lubrication systems, has developed the Timepulse model BZ device which combines lubrication pulse control with a zoning facility to activate lubrication only during desired periods of plant operation.

Basically, the electronic unit arranges "shots" of lubricant in central system at appropriate moments and ensures that they go only where they are needed.

A number of models are available. One of them can cascade three timers to control three parameters of an operation at the same time.

Atlas Copco compressed air systems.
A force you can turn into profit.

Atlas Copco
All Systems Technology for Compressors & Controls

MATERIALS

Has high resistance to heat

REFRACTORY mixed-fibre felts which will resist temperatures up to 1600 degrees C are now being manufactured and marketed by Morganite Ceramic Fibres.

These materials are to be marketed under the trade name Unifelt and are stated to consist of vacuum-formed sheets which are produced from intimate blends of Morganite's Triton Kaowool aluminosilicate fibres and ICI's Saffil alumina fibres with the addition of a flexible organic binding medium.

The presence of the binder is said to give the felts outstanding resilience and to almost eliminate dust. Unifelt materials can be bent, cut, compressed, glued to themselves or cemented to other materials to form a variety of seals, joints and blocks.

The company says that, on first firing, Unifelt expands in the thickness direction and that this expansion is of value in the sealing of cavities and especially in modular-block "venereing" of furnace linings. Venereing is the technique of applying a thin layer of fibrous refractory to the hot face of an existing furnace lining.

More information about this material can be obtained from Morganite Ceramic Fibres, Tebay Road, Bromborough, Wirral, Merseyside L82 3PH. (051-334 4030).

IN THE OFFICE

Easy view of fiche

THREE microfiche readers have been added to the Datagraph range of COM equipment for reading either COM generated or conventionally microfilmed images at 24x, 42x, or 48x reduction.

Datamat 80 gives a reader image enlarged to 80 per cent of original size. It incorporates fiche carrier with rapid opening glass flats lens and a floating lens system which allows the fast interchange of lenses.

Model 100 displays an image equal to original size. An advanced dual lens system allows the image magnification to be changed without replacing the lens units.

A further model, the 175 has the same lens system as the Model 100, but the screen image is to 75 per cent original size for COM data and 100 per cent for conventionally microfilmed documents. More from Drift Road, Windsor, Berks. (03447 5611.)

The complete computers.

A choice of small computers, plus the application solutions, training and support essential for maximum performance.

Our family of small computers includes the B 80 (shown below), the B 800 and the B 1800. They are highly responsive systems that are easy to operate and manage.

They feature application solutions for all major lines of business, each designed to handle your specific accounting and management information needs.

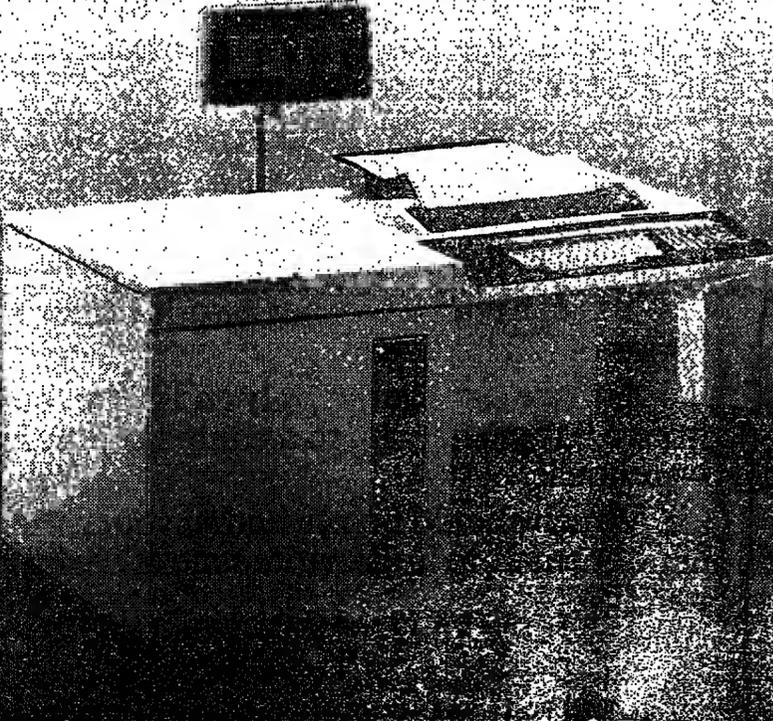
And our customer training centres throughout the world provide professional, comprehensive instruction in their use.

Then there's customer service: Some 30,000 Burroughs people in our sales and customer support organisation provide expert installation and maintenance support.

And Burroughs small computers make growth easier. Applications can be transferred from the smallest B 80 to the largest B 1800. Without reprogramming. Without recompilation.

And with a Burroughs system, you get more than just a computer. You get our 80 years experience in information management. Plus system software, application solutions, customer training, system support—even the business forms and supplies you need.

See our small computers in action. Phone your local Burroughs office or contact Burroughs Machines Limited, Department PRA, Heathrow House, Bath Road, Hounslow, Middlesex, England TW 5 9QL.



Burroughs

Water level monitor

WITH EXPERIENCE gained from equipping British Rail locomotives, Babham is to introduce a gauge intended to eliminate overheating in commercial vehicle engines due to water starvation.

When the radiator water level drops below the required minimum an alarm sounds in the driver's cab. He then has 30 seconds to pull the vehicle to the side of the road before the engine cuts out.

The device will only allow running of the engine when the water level has been topped up, and the company claims that the instrument is completely tamper-proof.

More from Rutherford Road, Daneshill West, Basingstoke, Hants (0256 64911).

HANDLING

Eases flow from silo

STICKY OR non-free-flowing materials such as soya meal, sawdust, flours and starches, etc., can now be discharged evenly from flat bottomed silos or storage vessels with the Bowerhill-Parey Planetary Extractor, asserts the maker, Bowerhill Engineering, Lysander Road, Bowerhill, Melksham, Wilts. (0225 708519).

Use of this type of extractor should guarantee easy flow with no bridging or ratholing, and true "first-in—first-out" conditions giving strict stock rotation, says the company.

Said to be simple in design and operation, drive mechanism of the extractor is housed within a triangular crossbeam over the floor of the silo. This is supported at either side of the silo only, thus permitting a screw auger to rotate around the entire base area of the silo.

As the screw turns, it draws material to the centre of the silo where it is discharged through an aperture and feeds on to a cross conveyor.

Deflectors mounted over the outlet prevent any gravity flow of the silo contents; for this reason, the planetary extractor can also serve as a volumetric feeder.

Because it is designed for installation in flat bottomed silos, very considerable gains in storage capacity are achieved over equivalent silos with conical discharge, claims the company.

Everyone gets a share of the good life in our garden.



Industrialists considering expansion or relocation couldn't do better than Cwmbran New Town, garden city of Wales.

It's an Intermediate Development Area so you may qualify for government grants and rent-free periods.

We have factory units up to 10,000 square feet for immediate letting. Good housing ready for key personnel. Plenty of labour.

London and the Midlands are only two hours by motorway or 90 minutes by rail, airports are conveniently close and some of Britain's best dock facilities are on the doorstep.

Life is good here. Golf, salmon fishing, the River Usk, Wye Valley and Brecon Beacons are all nearby.

Maybe we should rename our beautiful area the Welsh Garden of Eden!

For literature, return the coupon to R.W. Howlett, General Manager, Cwmbran Development Corporation, Cwmbran, Gwent NP44 1XZ. Or telephone Cwmbran 67777.

Cwmbran Garden City of Wales

Name _____
Position _____
Company _____
Address _____

FTL

electrical wire and cable?

• NO MINIMUM ORDER • **ANIXER** • NO MINIMUM LENGTH

Thousands of types and sizes in stock for immediate delivery

LONDON 01-561 8118 • ABERDEEN (0224) 724333 •
GLASGOW (041) 332 7201/2 • WARRINGTON (0525) 810121

TRANSFER CALL CHARGES GLAUCY ACCEPTED
24HR. EMERGENCY NUMBER 01-837 3567 Ex. 408

Jeff Smith

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ



Germany mirrors UK on small firm protection

BY A. H. HERMANN

RECESSION ALWAYS triggers off new business legislation and in Germany more so than elsewhere. Some of the legislative projects now afoot in Bonn could have a direct international effect on mergers, banking and design protection, for example—while others will influence European legislative trends indirectly. The 1980 general elections will speed up some of these projects and delay others—an experience all too familiar in Britain.

such strictness of the law could be counter-productive from the Cartel Office point of view—by removing the decision making process to the Ministry of Economy—may help the industrial lobby to achieve a relaxation of the bill.

Buyers' Power: The German public has, for some years, been concerned about the power which departmental stores and supermarkets exercise over their suppliers, enforcing special discounts and advantages. This is a problem which has only recently emerged in the UK, and is at present the subject of a major investigation by the Monopolies Commission into discounts for retailers.

Based on the principle of the U.S. Robinson-Patman Act which outlawed quantity and functional discounts, the revised German Competition Act would extend its anti-discrimination rules also to such situations where a powerful retailer, in such a category as Tesco or Sainsbury, insists on obtaining from his supplier goods at a cheaper price and at better conditions than enjoyed by the corner shop. The retail business is much less concentrated in Germany than in Britain; small shops there have a correspondingly greater political leverage.

Consumer protection: Another major piece of business legislation which will become law in 1980 is the revision of the Act Against Unfair Competition. As the name suggests, this Act was originally designed to protect trader against trader, but over the past decades courts have used its provisions to protect consumers. The revised Act will go further in this direction by enabling consumers to get money back if goods were sold under a false description. It will also enable courts to award damages where goods were falsely described and the customer consequently bought something he did not want, even if the unwanted goods are good value for the price paid.

Consumer protection: Another major piece of business legislation which will become law in 1980 is the revision of the Act Against Unfair Competition. As the name suggests, this Act was originally designed to protect trader against trader, but over the past decades courts have used its provisions to protect consumers. The revised Act will go further in this direction by enabling consumers to get money back if goods were sold under a false description. It will also enable courts to award damages where goods were falsely described and the customer consequently bought something he did not want, even if the unwanted goods are good value for the price paid.

Watertight Mergers: The bill for the fourth revision of the Competition Act is now in the economic committee of the German parliament. After the summer recess it will move into the legal committee and may become law towards the end of this year or early 1980. If adopted in its present form it will become almost impossible for a company with a yearly turnover of DM 2bn or more to obtain a Federal Cartel Office approval for any acquisition, however small. In particular, the law would make it impossible for such a large company to gain, by acquisition, a 5 per cent share in a market served mainly by small or mid-sized firms. In such a market there would also be a ban on mergers between two or three leading companies, if taken together their shares command up to 50 per cent of a market. In every case the Cartel Office could consider either the national or a regional market, whichever better suited its purpose.

The provisions of the bill are so watertight that no large company could get away with a takeover of any significance by defeating the Cartel Office in the courts. The only hope would be a reprieve of the prohibited merger or acquisition by the Minister of Economics—and in this way the German situation would come much closer to British merger control—which also operates on the political level.

A sudden realisation that

in Britain, in Germany also lawyers have not yet succeeded in finding a suitable way of safeguarding royalties for works which are privately copied on tape. A 5 per cent fee originally imposed on tape recorders—at the time when the manufacturers' price for a tape recorder was \$30—is no longer sufficient now that the price is down to less than a quarter. The possibility of imposing the fee on cassettes was considered, but the German manufacturers of cassettes protested, fearing that while they would be paying the full fee, importers of cassettes would only pay a fraction as the quantity of cassettes imported from Japan and Hong Kong is being systematically understated on customs declarations.

Another argument against tax-jog tapes is the expectation that in the same way as reprographic copies can now be made on plain paper, so it will not take long before magnetic tracks will be applied to ordinary plastic or paper tapes with the result that the source of income would again be lost.

Storm Another problem created by the advance of electronic reproduction concerns the protection of type-face design. The faces used in metal type are protected but not those derived from them by electronic transformation—by changing dimension and slant, for example.

Patents: One would have expected that, with the European Patent Office located in Munich and the European Patent Convention hearing such a striking resemblance to German patent law, Bonn would have nothing much to complain of. However, a storm in a teacup seems to be raging in the patent agents' fraternity. The British patent agents who opened offices in Munich call themselves European Patent Attorneys, a translation of "Patentanwalt"—the description used for patent agents in Germany. However, they claim that they have much stricter admission requirements; they have to study a technological discipline as well as law. They argue that English patent agents are not in the "Anwalt" or "Attorney" category and should call themselves European Patent Agents.

The German patent agents went as far as to threaten court action but are being soothed by Bonn. The trouble is that though "agent" sounds perfectly well in English it somehow lacks dignity in German. The European Patent Convention uses the term "Patentvertreter" which translates "patent representative" but this was not found to be helpful either.

Trade marks: The EEC project of a system for registering Community Trade Marks was originally favoured in Bonn but doubts about its feasibility have now got the upper hand. The German system of trade mark registration uses rather strict criteria when it comes to

similarity. Applications are being scrutinised by a computer for similarity with the textual, pictorial or any other features of trade marks already registered. Even when only German trade marks are taken into account, it is becoming rather difficult to find an acceptable new one.

If the territory were enlarged to embrace the whole of the EEC, it would be almost impossible to find a new combination of letters, words or pictures which would not be confusingly similar to one already registered in one of the countries. The result of a Community trade mark system might then well be that it would become impossible to register any new trademark.

Motor Insurance: There are 22m motor cars on German roads and about 20m insurance claims are made each year. The German insurance companies now deal with small claims immediately, without asking for any proof of loss or damage, but larger claims, especially where there are cases of serious injury, often lead to protracted litigation. No-fault insurance is not seen as a solution because it is practicable only with low limits on compensation.

While in Belgium, France and Switzerland limits may be set freely—as far as competition between insurance companies allows—German law does not allow limits for personal injuries to be lower than DM 750,000 (£200,000). Another unsolved problem is that of delayed consequences of an injury. A legislative solution of these insurance problems is being discussed in Bonn at present but seems by no means imminent.

IS nationality a help or a hindrance for someone seeking employment in an overseas post? Or, to put it the other way round, is there any particular advantage for a company to employ one national in preference to another for an overseas position?

Apart from the well studied problems of adjusting remuneration for inter-country moves there are other factors which affect the costs and desirability of employing different nationals. These factors depend largely on the policies and attitudes of the individual's base country.

A comparative study of the way in which eight countries treat their expatriates, conducted jointly by two Geneva based consultancies, Business International and Consultex, has found that indeed the expatriates of certain countries are regarded as being more favourably competitive in international employment markets than others.

Most of the countries examined—and there is a major and notable exception—believe that expatriates play a vital role in promoting trade. These countries, notes the study, have continued to improve the way in which their expatriates are being motivated and provided with benefits.

The only country to tax its expatriates while they are working abroad for a long period. Most of the countries—France, West Germany, Italy, Japan,

Differing views on expatriates

BY JASON CRISP

Sweden, Switzerland and the UK—displayed an attitude to their expatriates which ranged from "affectionate to quietly benign," noted the report. But the U.S. was altogether much more negative. The general view of expatriates, expressed by individuals and manifested in the public statements of a number of important leaders, is that they have gone abroad for reasons of individual hedonism rather than for any motivation to positively contribute to the U.S.

There are a number of factors which can affect the cost and convenience of employing expatriates of different countries. They include: obligations to perform military service, obligations to pay taxes to the home country, and to make social security payments. Additional complications can arise for the expatriate has to ensure that children born abroad don't find themselves stateless.

But the overriding factor affecting cost to an employer is the employee's home country's attitude towards taxation. Educational costs can

be significant and there is a wide variation between how an individual country's attitudes can affect its expatriates in this respect.

All the countries surveyed, with the exceptions of the UK and U.S., offer educational services to a significant number of their expatriates normally through subsidies for special schools.

The biggest cost factor, however, is the relative tax treatments of expatriates by their home countries. And it is here that the U.S. sticks out like a sore thumb.

U.S. expatriates simply cannot compete on an equal footing in such market, says the study. Either their employers must be willing to bear the extra cost of keeping U.S. employees at a comparable compensation level with peers of other nationalities, or the U.S. expatriate will have to accept a much lower standard of living.

The study reflects that while most companies can afford the luxury of national chauvinism when selecting employees for overseas assignments U.S. com-

panies can less and less afford to staff their companies with U.S. employees. "Along among international corporations, U.S. companies are replacing overseas staff with expatriates of other nationalities, almost exclusively because of the extra costs caused to U.S. expatriates by the policies of the Government."

There is an idiosyncratic example in the report on how the U.S. citizen can be taxed on a non-existent gain. Resident in Switzerland, he buys a SwFr 200,000 house with a bank loan in 1970 which he resells in 1978 at the same price and repays the loan to the bank. But because of the dramatic change in exchange rates (SwFr 4.50 to SwFr 1.50 to \$1) the U.S. authorities will say he paid \$46,500 for the house and sold it for \$193,333, making a capital gain of \$56,833. Should the company pay the tax on this gain?

The tax position of the U.S. executive is good news for aspiring British managers. According to the study U.S. companies are moving much more rapidly towards employing non-U.S. expatriates for their overseas operations. "Because of the language similarity and very attractive cost savings, these companies will actively look for British employees," it notes, adding that there is also a trend towards Canadians.

Expatriate Employees 1,500 SwFr from Consultant, 157 Route de Grand-Lancy, 1213 Chêne-Gare, Switzerland.

FRANCE: Expatriates recognised in constitution of Fifth Republic reflecting their important role in the history of France. Recent improvements in their treatment is aimed at helping exports. 973,000 expatriates (1.16 per cent of pop) 163,000 in West Germany.

WEST GERMANY: No official policy towards expatriates partly due to legacies of World War II. A number of measures have been adopted to improve their rights and benefits. Concern at ability of West German companies to compete in international markets has brought new

laws. 847,000 expatriates (1.38 per cent) 171,000 in U.S.

ITALY: Expatriate policies concern highest levels of government. Because almost 10 per cent of population is abroad, but many are returning. 5,137,000 expatriates (9.17 per cent) 1,326,000 in Argentina.

JAPAN: No official policy but expatriates do receive considerable attention. The rapid growth of Japanese leaving country on temporary basis caused much discussion on country's obligations. Accepts responsibilities, especially educational needs of

children. 320,000 expatriates (0.36 per cent) 143,000 in Brazil.

SWEDEN: No particular policy but recognises expatriates' role. Provides rights and benefits for them which have significantly improved in recent years. 68,000 expatriates (0.84 per cent) 15,000 in U.S.

SWITZERLAND: "Enormous affection" for expatriate community and their rights are protected by articles in constitution. A number of organisations to help those living abroad. 341,000 (3.30 per cent) 92,000 in France. UK: No basic policy but by

and large, well treated under present laws. 2,551,000 expatriates (4.56 per cent) 1,132,000 in Australia.

U.S.: "For reasons that are peculiar to the social composition of the U.S. and to its immigrant origins, the concept of expatriates is a particularly alien and uncomfortable one." No official policy. Recent changes in tax treatment of expatriates shows that this topic is still as controversial as it has been over since overseas earned income started being taxed again in 1962 after 36-year reprieve. 1,410,000 civilian expatriates (0.33 per cent) 262,500 in Canada.

Watertight

Mergers: The bill for the fourth revision of the Competition Act is now in the economic committee of the German parliament. After the summer recess it will move into the legal committee and may become law towards the end of this year or early 1980. If adopted in its present form it will become almost impossible for a company with a yearly turnover of DM 2bn or more to obtain a Federal Cartel Office approval for any acquisition, however small. In particular, the law would make it impossible for such a large company to gain, by acquisition, a 5 per cent share in a market served mainly by small or mid-sized firms. In such a market there would also be a ban on mergers between two or three leading companies, if taken together their shares command up to 50 per cent of a market. In every case the Cartel Office could consider either the national or a regional market, whichever better suited its purpose.

Suspect

German consumers' associations at present are able to sue suppliers on behalf of their members, for example in cases of untruthful advertising, but this possibility has been abused by lawyers who have formed "consumer associations" for the purpose of "warning" manufacturers whose advertisement they find suspect and have demanded from them a contribution towards expenses under the threat of legal action. To remove this mischief the revised Act will confirm the power of consumer associations to bring a "class action" but will introduce an obligatory registration of such associations with courts to ensure that only genuine consumers' associations can make use of this provision. The revised Act will also outlaw pyramid selling—discounts offered to consumers on condition that they procure further sales.

Copyright and Designs: As

"Banks today are planning for the eighties and beyond. Philips are in a position to share our view-point." Advertisement for Philips featuring a man in a suit.

Computers that talk your language. Advertisement for Philips Data Systems featuring a computer terminal and a man at a desk.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Company status

Could you advise me as to the basic differences, i.e. the advantages and disadvantages of being a limited or unlimited company? Is there a book on the subject you can recommend? It is difficult to advise in general, since many of the areas where differences seem unimportant may be most material in a given case. The main differences lie in the fiscal field, i.e. the difference between personal and corporation tax (if the company is not a close company) and in the advantage of limited liability in the case of a company. We strongly advise that you consult a solicitor rather than seek the answers in books. Gore-Browne or Companies, or Charlesworth's Company Law may offer some guidance.

A going rent

I am the lessee of a restaurant in Soho which, as you are doubtless aware, is inundated with Sex Shops and Massage Parlours. When my lease expires in the near future and I am called upon to pay the "market" rent for the premises, will the sort of inflated rents which can be paid by these establishments be taken into account? The court can only regard formal evidence put before it, i.e. the then going rate in the area for a restaurant. If the rents which lawful tenants of other shops pay affect that rate, the court will have to take that into account. You should consult an expert valuer once your landlord serves on you a formal notice to determine your tenancy, i.e. during the last year of your tenancy.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post or soon as possible.



There's money in mail order. Let us help you get your share.

There's money in Mail Order. It's growing at around 10% per annum—twice as fast as retailing generally. If you'd like a share of this lucrative cake, contact your Royal Mail Regional Marketing Manager. He and his team have the facts at their fingertips.

Starting with a paper by an independent expert 'The future of mail order in the United Kingdom.' Continuing with brochures on the development of direct marketing which add up to a practical guide to Direct Marketing for businessmen.

Plus information on the Royal Mail's unrivalled facilities; such as nationwide delivery every weekday—including Saturday, help in collecting money more quickly, recorded delivery, return of goods sent on approval and a Royal

Mail contract which can save you time and money. All for not even the price of a stamp. You can return the coupon 'Freepost' or ring FREEPHONE 2325.

Royal Mail Parcels form with fields for Name, Position, Company, Address, Postcode, and Tel. No. Includes a return address for Jackie Willbourne.

THE ARTS

Opera House, Monte Carlo

La Chauve Souris by CLEMENT CRISP

Charles Garnier's preposterously decorative operatic palace... La Chauve Souris... Jeanmaire as her bear...

Looking in her red wig exactly like Lautrec's portrait of Marcelle Leder... Jeanmaire as her bear... Jeanmaire as her bear...



Denys Ganio and Zizi Jeanmaire in 'La Chauve Souris'

Her comedy timing is flawless, and supremely economical... Jeanmaire as her bear... Jeanmaire as her bear...

Regent's Park A Midsummer Night's Dream

In the arcadian setting of Regent's Park on a perfect summer evening with the birds making much more noise than the overlying aircraft it would be difficult to resist A Midsummer Night's Dream...



Lynn Clayton and Graham Sinclair

Television

Are You Being Soaped?

by CHRIS DUNKLEY

Friday evening schedules are currently affording the chance of a fascinating comparison... Are You Being Soaped? and at 10.30 (in London, anyway)...



Richard Mulligan and Cathryn Damon in 'Soap'

Both programmes did emerge and evolve to respond to local conditions and audiences... Soap is American. It would be tempting to trace all other differences back to nationality...

pusy, for instance in AYBS—more visual set pieces involving silly costumes or slapstick... Soap (from the same stable, headed by Norman Lear) emulated their readiness to deal more openly than hitherto with such matters as homosexuality...

as in post-imperial Britain. Similarly it would be fair to say that although the readiness to deal with Burt's inability to make love to his wife (subsequently overcome) reflected—and parodied—America's obsession with sex and psychology...

Soop (from the same stable, headed by Norman Lear) emulated their readiness to deal more openly than hitherto with such matters as homosexuality... In this instance that homosexuality is "abnormal"—in post-Vietnam America as much

Albert Hall

Perlman, Ashkenazy, Harrell

by DOMINIC GILL

Izhak Perlman and Vladimir Ashkenazy are well known to us both individually as soloists, and together as a distinguished violin-piano duo... They have recently finished their recording of the complete Beethoven violin sonatas...

a kind of cloudy glory, every note with its acoustic halo, unusual but for once rather beautiful effect... Harrell's cello tone was consistently warm and true, the phrasing (even where it tended a little to overlushness) intelligent and strong...

Conti best actor on Broadway

Tom Conti has won a Tony Award for the best actor on Broadway for his performance in 'Whose Life is it Anyway?' which opened recently at the newly-refurbished and half-British owned, Trafalgar Theatre...

Advertisement for Terrapin Portable Cabins. Features: For instant accommodation up to 600sq. feet, you can't beat Terrapin Portable Cabins. Up to £700 less than their competitors. Office? Canteen? Medical room? Work-room? For that immediate space — think Terrapin cabins.

For instant accommodation over 600sq. feet, you can forget Portable Cabins.

Terrapin unit buildings... the high speed, low cost answer. Rising costs and the requirement for quick decision making has made portable cabins becoming a common answer to instant production needs.

FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF
Telephone: 01-555 1100, 01-555 1101, 01-555 1102, 01-555 1103
Telex: 555555 FT
Telegrams: Financial Times, London ECA. Telex: 555555 FT

Wednesday June 6 1979

The need to vote

WINSTON CHURCHILL once remarked that parliamentary democracy is the worst form of government, except for the alternatives. His words may well be applied to the direct elections to the European Parliament, polling for which takes place in Britain tomorrow.

The most important fact about these elections is that they are being held at all. Parliaments, especially new Parliaments, at almost any time in history and in almost any country have had a habit of trying to seek more powers. There is no reason to think that the Parliament in Europe will be any different. It will seek more powers, and certainly more influence, regardless of the size of the turnout in the elections and regardless of the "appearance" of quality of some of the candidates. That is the nature of Parliaments. The European Parliament therefore matters.

Dynamic
That is the first reason why it is necessary to vote tomorrow. The choice may be limited, but it is not non-existent; nor need it be made on conventional party lines. Mrs. Barbara Castle, for example, would be an asset to any Parliament and it is regrettable that the Conservative Party has found itself unable to put up a candidate of her parliamentary talents. It would also be wholly undesirable for the turnout in Britain to be substantially lower than that in other European countries.

Nothing would do more to promote the idea that Britain is uninterested in the Community—either in contributing to it, gaining from it or reforming it in any way. The Parliament will have its own dynamic. It would be a pity if the British were somehow second-class members because of the limited nature of their support at home.

The second reason why it is necessary to vote is the principle of democratic control. Whether the Community is popular in this country or not, it certainly manages to generate heat. Much of the anger or frustration stems from decisions of the European Commission and, in particular, from the workings of the common agricultural policy. Yet it was precisely to prevent the bureaucracy getting out of hand that the Treaty of Rome made provision for direct elections in the first place.

The present powers of the Parliament may not be large by national standards, but they are far from negligible. The Parliament does have the power to call the Commission in check; if necessary, it could sack the commissioners en bloc. It controls a section of the Community budget and, through that, can exercise some influence on the agricultural policy.

It would be foolish to imagine that these powers will not be more extensively used by a Parliament that is directly elected. The British are equally foolish of the British to complain of the follies of the Commission, while not participating fully in the possibilities of correcting them.

New influences
That is what is meant by the reference to Sir Winston Churchill. Parliamentary democracy may be messy, especially in its formative stages, but the alternatives are worse. The Community exists, but democratic control is lacking. Therefore it is necessary to create it. For Britain there may be still some special problems. It is apparent, for example, that many voters have not yet learned to distinguish between voting for or against Europe—as happened in the referendum in 1975—and voting in Europe, which is what should be happening tomorrow. The idea of (say) Euro-conservatism or Euro-socialism has not yet caught on. It is also plain that direct elections expose British politicians and the British electorate to new influences. Proportional representation, which is being used in every country but this, is one of them, though even the British are employing it in Northern Ireland. Yet it would be absurdly self-satisfied to say that Britain has nothing to learn from the continental example, and absurdly defeatist to say that it has nothing to teach.

Sovereignty
The important fact remains that the elections are taking place. The creation of a European Parliament by the ballot is an organic process. It is not a question of the surrender of sovereignty, but a pooling—a bringing together of the best that has been thought and done to all the member countries. The British have been traditionally regarded as being good at democracy. They should show it by voting tomorrow.

Parliament may not be large by national standards, but they are far from negligible. The Parliament does have the power to call the Commission in check; if necessary, it could sack the commissioners en bloc. It controls a section of the Community budget and, through that, can exercise some influence on the agricultural policy.

It would be foolish to imagine that these powers will not be more extensively used by a Parliament that is directly elected. The British are equally foolish of the British to complain of the follies of the Commission, while not participating fully in the possibilities of correcting them.

Sovereignty
The important fact remains that the elections are taking place. The creation of a European Parliament by the ballot is an organic process. It is not a question of the surrender of sovereignty, but a pooling—a bringing together of the best that has been thought and done to all the member countries. The British have been traditionally regarded as being good at democracy. They should show it by voting tomorrow.

The most immediate question is whether Sir Enrico Berlinguer, Secretary-General of the Communist Party, intends to follow through his commitment, firmly made during the election campaign, to take the party into formal opposition if the Communists are denied seats in the cabinet. Nothing

resulting from these awards is likely to prove equally mythical. The trade unions are naturally out for what they can get, as they were on Monday, before the awards were announced. All that will change is the rhetoric.

The need for a substantial award hardly needs arguing, so far as the health service is concerned. The demoralisation of the service and the growing shortage of doctors has been a subject of general concern for some years now. Where staff shortages give the same message as comparability studies, the message is clear.

The case may not seem quite so obvious when it comes to senior civil servants and those who direct the nationalised industries: these posts are filled, mainly with very able men. However, these are some of the key leadership posts in the country. The needs of future recruitment, both at this level and—still more important—at more junior levels in public management cannot be left purely to appeals to public spirit.

Justice by stages
There is a widespread feeling that the average quality of MPs has suffered as a result. Here, it might cynically be argued that there is a case for restoring justice by stages, since Parliament will not be recruiting in any significant numbers for some time. However, the message should be equally clear: a country which wants quality administration and services must pay the rate for the job. It is a matter of money terms—and poor in reality.

THE REAL loser in yesterday's Italian general election undoubtedly was the Communist Party (PCI). It suffered its first electoral setback in more than 30 years with a loss of 4 per cent or 1.5m votes for the Chamber of Deputies. But the most that determined opposition from the PCI—whether in parliament, or through the party's links with the trade union movement, or just conceivably, through street politics by some of the party's frustrated cadres on the far Left—can make Italy virtually unmanageable. At the very least it could make it impossible to deal with the country's major social and economic problems.

The result has significantly—by Italian standards—reinforced the centre. Smaller law parties like the Social Democrats, the Liberals and the Republicans were all expected to do badly. Instead they held their ground. In many cases they advanced a little, reversing the trend which emerged in the last general election of a gradual polarisation towards the two largest parties, the Christian Democrats and the Communists.

Even the Socialists, after a particularly shaky campaign, held their own, if only just. That is likely to force the party's leader, Sig. Bettino Craxi, to take seriously his hints made during the campaign that he might return to a centre-left governing formula. For some 11 years from 1963, Italy was ruled by such a coalition, the chief members of which were the Christian Democrats and the Socialists.

Coalition with Socialists
After all, final returns show that the Communists, Socialists, and Social Democrats together have dropped back below the 50 per cent mark reached in 1976. At least in terms of numbers, Sig. Andreotti or another Christian Democratic leader could comfortably put together a coalition government, should the Socialists decide to join.

In any event, the next Government, of whatever kind, will have to tackle an extremely delicate economic and social situation. Only three days before the election, Dr. Paolo Baffi, Governor of the Bank of Italy, warned at the bank's annual meeting of "dark clouds hanging over the future."

In many respects, since the last general election three years ago, the situation has greatly improved on the sunnier side. Annual growth is expected to increase to between 4 per cent and 5 per cent this year compared with barely 2 per cent during the last two years. The recovery of the balance of payments, with an overall surplus of £7,000m (£3.9bn) and a current account surplus of £5,400m (£2.8bn) last year, has been spectacular. Official reserves are over \$30bn and the lira has made a good start in the new European Monetary System.

Richard Langdon, himself a distinguished accountant, issued a record-breaking £8m writ against Harwood. The case has dragged on for years, but could well come to court in 1980—which would be highly embarrassing to Richards during the ICA's centenary year.

Unharmonious tune
Like most accountants, David Richards is keen to stress the dignity and high professionalism of his chosen vocation. The new president of the English Institute of Chartered Accountants (he is being formally elected today) is particularly proud of discovering a ditty of 1720 called The British Accountant, though he confesses it will hardly do as the accompaniment to his centenary song. "It's indecent."

Currently a partner in Deloitte Haskins and Sells, one of the largest UK accountancy firms, he was previously with Harwood Banner a firm which was swallowed by Deloitte's five years ago.

One subject on which he is understandably reticent is Harwood's involvement with London and County, the fringe bank whose collapse in 1973 heralded the secondary banking crisis. A Department of Trade report was highly critical of Harwood's auditing; subsequently the London and County liquidator,

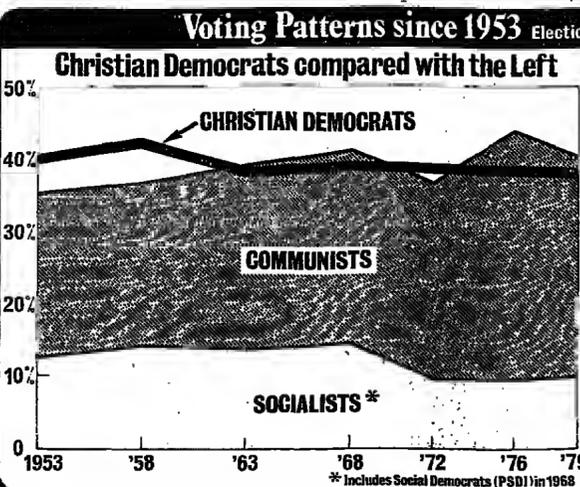
But the inflation rate is more than 14 per cent, and is accelerating. The threat of an energy crisis has become very real in a country which relies on oil imports for as much as 75 per cent of its energy requirements. The rift between the industrial North and the depressed South continues to widen.

The official rate of unemployment is over 7 per cent, and more than 70 per cent of the unemployed are young people. The dire financial and structural problems of state-owned industry may make unemployment worse. Attempts to introduce a medium-term economic and social recovery programme have effectively been shelved in view of the aperta state of permanent political turmoil.

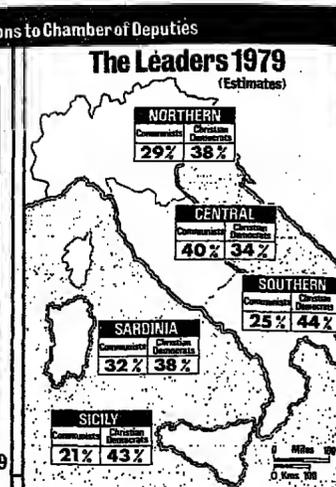
The next Government will have to consider a whole series of new measures to correct the structural imbalances of the economy, modify the inflationary aspects of the threshold payments, reduce the ever expanding public sector deficit, and increase the efficiency of public administration.

Added to all that, the recent affair of the Bank of Italy and the highly respected central bank Governor's intention to resign has thrown up yet another problem. The recent attack against the bank risks undermining perhaps the only Italian institution that has kept itself aloof from politics and more than any other steered the country on the path of economic recovery.

Dr. Baffi has been at the centre of the highly controversial judicial investigations into allegedly irregular loans to one of Italy's major chemical groups, SIR. At the Bank's annual meeting last week, the Governor rejected the accusations against the bank, spoke of the "paralysing uncertainties" caused by the scandal and referred to a campaign in parts of the press



* Includes Social Democrats (PSDI) in 1968



embroidered with false and tendentious arguments, for some obscure motive. The attack on the bank is generally thought to have a possible background of political intrigue.

The country appears to be becoming used to political violence; terrorism is an element of daily life. In this respect, the setback to the Communists could well lead to a progressive increase of violent extremism. The failure so far of the PCI to gain direct power in Government could well induce left-wing extremist movements, which flourish in the country, to regard violence as the only viable policy.

More immediately, the setback could lead to a serious deterioration of already shaky industrial relations. The trade unions, including the key engineering and metal workers union, are currently negotiating an important series of new three-year labour contracts. Employers and the caretaker Government are stressing the need to contain the steady increase of labour costs by preventing any rise in real wages during the next three years. But the unions have so far been intransigent and threaten to stage a general strike later this month.

Their militancy could well increase now. As one leader remarked yesterday, "on the question of whether Italy is governable, the metalworkers will probably be a more determining factor than the new members of parliament."

The key question is what the future policy of the Communists will be. The issue is whether, after seemingly losing its protracted campaign to secure the compromesso storico—little more than a new name for the alliance policy outlined by the PCI leader figure, Sig. Palmiro Toglietti when he returned from Russia as long ago as 1943—the largest Communist

Party in the West intends gradually to change course. For the past 30 years, the PCI has adopted an evolutionary approach to securing power—the so-called Italian road to Socialism. In the aftermath of this election, though not immediately, the PCI could well revert to its revolutionary origins, and to basic Marxist-Leninist principles. There are still advocates of this line on the party's Central Committee. Critics of the evolutionary approach may decide to use the defeat of Sig. Berlinguer's compromise gradually to mount an assault on his leadership. Few independent observers in Rome doubt that his leadership will come under attack, although not necessarily at once.

Even during the campaign, the challenge was beginning to be felt. Although their criticism was inevitably bland, certain leading party members, for example Sig. Pietro Ingrao, the former Communist President of the Chamber, pointed to errors supposedly made by the party in recent years. In particular, criticism was devoted to what Communists call democratic centralism, which had opened up a growing distance between the leadership and a confused rank and file.

For the moment, the line that Communist Party has taken is that it could not reasonably expect to make a further advance given the dramatic 7.1 per cent jump in 1976. But its performance yesterday, none the less remains at the very least a major psychological shock to a leadership suffering its first post-war electoral setback.

Perhaps even more significant is the effect it will have on the militants and cadres who have believed that the party's progressive advance was unstoppable. It has been stopped for the moment anyway.

Appeal to youth
More seriously, the party, as the outcome of the election seemingly confirms, has apparently failed to appeal to youth, which is perhaps an even greater setback than the failure of the compromesso storico so far. In the voting for the Chamber, the party's 4 per cent losses were significantly greater than in the election to the Senate, where it only lost 2.3 per cent. For the Chamber the

Paying for the top jobs

THE GOVERNMENT'S reaction to the reports of the review bodies covering the pay of senior public servants and of doctors and dentists is unequivocal: payment in full. The trade unions reacting to this decision, which involves total pay increases of about 35 per cent for both groups this year, is a predictable outburst of envy. Exactly the same thing is likely to happen next year, since the present awards go only half way to restoring what the review bodies consider a proper level of pay for these senior posts; and there will be further protest when taxes on these enhanced salaries are cut.

Restore incentives
The Government's decision to ignore the politics of envy was, of course, more or less inevitable. The Conservatives were elected to restore incentives, and are getting on with the job; any attempt to be "tactful" about remuneration would have undermined the whole philosophy of Mrs. Thatcher's administration, which seeks to turn its back on egalitarian mediocrity. It is a decision which can be welcomed without surprise.

The size of the awards which has been necessary is simply a measure of the extent to which top salaries in the public sector had been eroded during the years of incomes policy. The most telling figures in the Boyle report on top salaries are those thrown up by the survey of the private sector; there, it seems, top salaries last year rose rather less than average wages.

The need for a substantial award hardly needs arguing, so far as the health service is concerned. The demoralisation of the service and the growing shortage of doctors has been a subject of general concern for some years now. Where staff shortages give the same message as comparability studies, the message is clear.

The case may not seem quite so obvious when it comes to senior civil servants and those who direct the nationalised industries: these posts are filled, mainly with very able men. However, these are some of the key leadership posts in the country. The needs of future recruitment, both at this level and—still more important—at more junior levels in public management cannot be left purely to appeals to public spirit.

The need to compete more effectively for men of top quality applies just as strongly, and perhaps more strongly, to the case which the Government has yet to consider: the salaries of Ministers and MPs. Through years of Quixotic self-denial, political salaries have been depressed in real terms to the point where winning an election means a large financial sacrifice for an able man, or fur that matter for an energetic brick-layer.

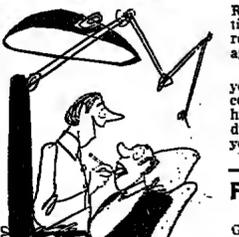
MEN AND MATTERS

After Coggan—an outsider?

A dignitary close to the committee which will select a successor to Doctor Donald Coggan hints that there is a very strong possibility he will be from outside Britain, from somewhere in the Commonwealth. Doctor Blanch, the 61-year-old Bishop of York, is a candidate, but there are plenty of others.

The choice of a new Archbishop of Canterbury, in his made within the next three months, may therefore cause a few surprises—in much the same manner as the selection of a Polish Pope in the Catholic church.

Even if the primate does turn out to be British, another factor which could weigh against Dr. Blanch is his very similarity with the Archbishop—they are both homely, middle-of-the-road evangelical liberals. Traditionally, it is now the turn of a high church Archbishop to occupy Lambeth Palace. The leading British Catholic wing is the Right Reverend Graham Leonard, Bishop of Truro; what stands in his way, however, is the move towards unity with the non-conformist churches.



"Now that the Government has given me some incentive, I think I'll take them all out!"

Unharmonious tune
Like most accountants, David Richards is keen to stress the dignity and high professionalism of his chosen vocation. The new president of the English Institute of Chartered Accountants (he is being formally elected today) is particularly proud of discovering a ditty of 1720 called The British Accountant, though he confesses it will hardly do as the accompaniment to his centenary song. "It's indecent."

Currently a partner in Deloitte Haskins and Sells, one of the largest UK accountancy firms, he was previously with Harwood Banner a firm which was swallowed by Deloitte's five years ago. One subject on which he is understandably reticent is Harwood's involvement with London and County, the fringe bank whose collapse in 1973 heralded the secondary banking crisis. A Department of Trade report was highly critical of Harwood's auditing; subsequently the London and County liquidator,

Raving at Regine's

By the end of this year, the Greater London Council may have given up its function of granting entertainment licences. This is a ticklish task, especially where it relates to the strutting up of night-clubs and discotheques which subsequently enrage residents around the capital. So the GLC may be quite glad when, as it expected, the London Boroughs Association shortly puts up plans for handing the function over to the 33 boroughs in its area.

Pressure for the change has been keenest from Kensington. There have been many approaches from there lately, an official of the London Boroughs Association told me. The agitation is closely linked to the continuing dispute over Regine's night-club, which occupies the top of the former Derry and Toms building in Kensington High Street.

The licence for Regine's expires at the end of this month and I learn from the GLC that there have been 22 written objections to its renewal. These come almost exclusively from residents in Kensington Square and thereabouts, who do not value this new amenity and say they suffer from the noise of revelry in the small hours. The next move on the part of the GLC will be to try to mediate between Regine's and the objectors (a fairly dim prospect). After which there could be a public hearing and legal appeals up to the Crown Court. All of that means that Regine's may be queuing it over Kensington for a long time yet. Although the original licence

Less than canny

The acquisition of Debenture Corporation by the British Airways pension fund will have been watched with intense concern from St. Andrew's Square, Edinburgh. The investment trust movement started north of the Border and still has its deepest roots there. The Scottish institutions have lately issued passionate pleas for investment trust shareholders to stand up and demand realistic prices for their assets.

Now the premium payment in the £41m Debenture Corporation deal has created a precedent for investment trust takeovers. This was achieved by the dogged resistance of the private shareholders and four insurance companies, who stood by the Debenture Corporation Board as it held out for a better price. The other institutions can claim no credit. Seventy per cent of all the institutional holders meekly accepted the first price. Who gave in to a man? The Scottish institutions. Rather a case of do as we say than do as we do.

Richard Langdon, himself a distinguished accountant, issued a record-breaking £8m writ against Harwood. The case has dragged on for years, but could well come to court in 1980—which would be highly embarrassing to Richards during the ICA's centenary year.

CITY OF LONDON

90,000sq ft

New Office Building To Let

16 Minories E.C.3

Scheduled For Completion Summer 1980

Situated in the Insurance, Shipping and Financial area of the City. The final stage of the Wingate Centre offers fully air conditioned offices on-ground and twelve upper floors. The first part of the complex has been let to international insurance brokers Bain Dawes Ltd. as their London headquarters.

- Flexible air conditioning
- Five automatic passenger lifts
- Marble lined entrance hall
- Double solar glazing
- Basement Car parking
- Residential flat
- Landscaped grounds

SOLELETTING AGENTS

Lander Burfield

36-38 Lamb's Conduit Street London WC1N 3LL 01-831 6311

FINANCIAL TIMES SURVEY

International Property

Despite the difficulties of the international property market in the early 1970s, this sector is now among the leading performers in many countries and enjoying a fresh period of confidence and high performance. Property is popular again and there is once more an enormous weight of institutional money available for investment in this direction.

All over the world property advice begins with Richard Ellis

Offenbach
WEST GERMANY

FOR SALE On instructions from I.C.I. (Europa) Fibres GmbH. A Major Industrial Complex 55,741m² (600,000 sq. ft.) Located close to borders, France, Belgium, Switzerland and Austria.

Contact Bristol Street Office



London ENGLAND

TO LET City of London Office Accommodation 107 Cheapside, EC2 6.503 m² (70,000 sq ft) 1.637 m² (17,630 sq ft) per floor. Central heating, carpeting throughout, with 929 m² (10,000 sq ft) basement storage.

Contact Cornhill Office



Houston
UNITED STATES OF AMERICA

TO LET Office Tower 1010 Lamar Avenue, Houston 18,580 m² (200,000 sq ft) available September, 1980. Fully air-conditioned, connected via private tunnel system to all other buildings in the Houston central business area.

Contact Atlanta Office



Madrid
SPAIN

FOR SALE Office Site with Planning Permission Miguel Angel, 11, Madrid. Site area 856 m² (9,200 sq ft). Buildable above ground 6,865 m² (73,890 sq ft).

Contact Madrid Office



Melbourne
AUSTRALIA

FOR LEASE Offices in Adjoining Towers. Each tower comprising 46,450 m² (500,000 sq ft). Currently available 46,916 m² (505,000 sq ft). This superb complex is a City within a City covering 1.5 hectares (3.7 acres). From its convenient and banqueting rooms to its lavish shopping, banking and parking bays, this complex offers prestige office accommodation.

Contact Melbourne Office



Singapore
FORECAST

FOR SALE Industrial Building 11 floors fully tenanted. Freehold site 3,150 m² (33,900 sq ft). Rentable area 12,600 m² (135,600 sq ft). Price S\$10 million.

Contact Singapore Office



Brussels
BELGIUM

TO LET 35 Square de Meeûs. Sought after business area 7,633 m² (82,160 sq ft). Modern air-conditioned offices, 900 m² (9,660 sq ft) each floor.

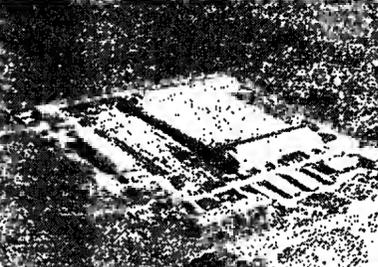
Contact Brussels Office



Richards Bay
SOUTH AFRICA

TO LET OR FOR SALE Factory Complex close to harbour 12.5 hectares (30.90 acres). Additional land if required 49.5 hectares (122.3 acres). Main production area 8,600 m² (92,570 sq ft).

Contact Johannesburg Office



Paris
FRANCE

TO LET Office Tower Parifetic. Overlooking the Boulevard Peripherique. 98,000 m² (1,060,000 sq ft). Floors of 1,000 m² (10,764 sq ft). Ultra modern office tower with all amenities including basement parking for 750 cars.

Contact Paris Office



Amsterdam HOLLAND

TO LET Laagraven Warehouse/Wholesale Centre. Now Under Construction. Approximately 7,000 m² (75,350 sq ft). Comprising Modern Warehousing and Offices.

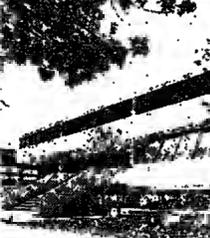
Contact Amsterdam Office



Adelaide
AUSTRALIA

FOR LEASE Greenhill Court - Professional Centre 121-122 Greenhill Road, Unley. Two floors total area 2,100 m² (22,604 sq ft). Modern air-conditioned centre with excellent car parking facilities.

Contact Adelaide Office



Glasgow
SCOTLAND

TO LET 3rd Floor Prestige City centre Offices. Scottish Life House, St. Vincent Street. 929 m² (10,000 sq ft).

Contact Glasgow Office



Richard Ellis, Chartered Surveyors
International Property Consultants

- 4 Cornhill, London EC3V 9PS, England. Telephone 01-263 3050, Telex 837732.
- 610 Bristol Street, London W1X 8DU, England. Telephone 01-438 0923, Telex 932458.
- Tratlar House, 75 Hope Street, Glasgow G2 4AL, Scotland. Telephone 043-264 1931, Telex 718847.
- 17 Rue de la Baume, 75008 Paris, France. Telephone 533 08 06, Telex 4200370.
- Bakkerbaan 27, 1052 GJ Amsterdam, Holland. Telephone 440 777, Telex 15494.
- Edificio Iberia Mar, Pedro Teixeira 8, Madrid 20, Spain. Telephone 455 35 00, Telex 42788.
- Suite 1015, 3445 Peachtree Road, NE, Atlanta, Georgia 30326, U.S.A. Telephone 251 0400, Telex 010 751 3342.
- Walker, Richard Ellis, 11th Floor, Nedbank House, 101 Albert & Elton Streets, Johannesburg 2001, South Africa. Telephone 633 1320, Telex 60156.
- Richard Ellis & Co., Williams 11th Ltd, Suite 2406, 14th Floor, Shaw Centre, Scotts Road, Singapore 3. Telephone 235 4769, Telex 252081.
- Richard Ellis, Seilmann & Seward Pty. Ltd, 21st Floor, 20 Collins Street, Melbourne, Victoria 3000, Australia. Telephone 634 5353, Telex 91958.
- Richard Ellis, Schumann & Seward Pty. Ltd, Dalgety House, 51 Church Street, Adelaide, South Australia 5000, Telephone 545577.
- Manchester, Brussels, Chicago, Hong Kong, Cape Town, Durban, Sydney, Brisbane, Perth.

Richard Ellis

INTERNATIONAL PROPERTY II

Market shows more confidence

By Michael Cassell

WITH MEMORIES of the early 1970s still fresh in the mind and, even now, jolted occasionally with the publication of official figures on some of the more dramatic company collapses, the international property revival has been a cautious affair.

The period of recriminations and retrenchment, not to mention liquidations, which followed the crash in the UK is only now effectively over and, in some respects, the recovery is still not totally complete.

Such were the wounds inflicted at home and overseas last time round that response to the property sector's encouraging new situation has

been somewhat muted and uncertain. In the aftermath of the recession, the de-gearing process and the shedding of overseas assets was pursued with understandable haste, though foreign markets remained depressed for longer than in the UK, so the process has inevitably been a slow one.

But the task of finding customers has recently been made easier by the comparative strength of most overseas markets and by indications of stable or improving rental levels.

Now, however, the cycle is again generally well-underway, although the same outcome as in 1973-74 is far less likely. Increased demand for space has

grown to a point where the excesses borne out of previous enthusiasm and economic crises are rapidly being taken up and actual or impending shortages are likely in some regions and in some countries.

As a result, property yields in many investment markets are already discounting real growth prospects which, in some cases, look very good indeed. In the UK and some other markets yields appear to have fallen as far as is justified, with any further decline depending on an increased premium being placed on security value. Elsewhere, some room for further downward movement exists.

With the property sector now

among the leading performers in many countries and enjoying a fresh period of confidence and high performance, some of the old familiar trends are back again.

Property is again popular and there is once more an enormous weight of institutional money trying to find a home in this direction.

Investment by life assurance companies and pension funds in Britain reached over £1bn last year and forecasts suggest that this figure could easily treble in the next five years, representing a 30 per cent increase in property investment as a proportion of contractual savings from 13 per cent to over 20 per cent.

In addition, the supply of institutional-quality property investments has been drying up—the de-gearing programme of many quoted companies having reached and passed their peak. At the same time, there is clear evidence of widespread rental growth in all principal sectors and expectations that the trend, for the most part, has not yet run out of steam.

Competition

So, where does the market go from here? The inflationary growth of investable funds controlled by the pension funds, insurance companies and their equivalents ensures that managers face intense competition for good quality proposals and with the development market still showing a marked, if totally understandable, reluctance to sanction new projects, their range of options has to be reconsidered.

They can cut the proportion of their portfolios involved in property—hardly an easy choice at a time when prospects look so sound—or they can take the first tentative steps into the “secondary” property sector, leading to a consequent rise in values which would help many companies with interests in this part of the market.

It is a potentially risky path and one which people like Mr. Hugh Jenkins of the National Association of Pension Funds—“I would rather pension funds and managed insurance funds turned away money than decide to go in this direction”—are quick to criticise. For the time being, however, interest in “secondary” properties does not come easily to the fund

manager who is anxious to avoid possible troubles associated with the fringe of the market. Wide-scale involvement in this sector seems unlikely.

Another option, one already increasingly popular in countries such as Holland, is the wider acceptance of an involvement in development itself, with a proportion of recent building activity reflecting this type of institutional buying pressure.

So, once again, before the repercussions of the last widespread invasion of international markets have been fully absorbed, property investment markets overseas are becoming fashionable.

They are not, as though anyone in the industry needs reminding, an easy option, with a plethora of different ground rules to confront and the added obstacle of currency complexities to contend with. The volume of cross-border investment remains comparatively small but there is every sign that the process is now gaining momentum.

Among the attractions are the sheer size of the market, political stability, the type of free enterprise which the property sector relishes and some fairly attractive investment yields. The rapid rise in interest rates over the last six months has cut the amount of speculative real

estate development in the U.S. and the limited availability of new space aided by mounting planning restrictions, has led to firm rental markets with many projects being at least partially leased before completion.

As in other countries, the lack of prime, developed and leased income property available for purchase has encouraged many major investors to become immersed in the development process, either by a forward commitment to purchase upon completion or by investment of risk capital in the early stages of development. Despite the risks involved in this type of approach, such action seems necessary if quality property is to be acquired and a higher level of initial return is wanted.

Interest in the U.S. on the part of UK funds, developers and agents has been rising over the last year or so, though it is to be hoped that the transatlantic dash is a more considered affair than previous foreign jaunts.

The American market has changed significantly, with the recession behind it and a growing involvement of the institutions in a sector in which the majority of investment purchases are still being made by groups or single individuals for tax reasons. The trend should at least maintain a downward

pressure on yields.

While the largest pension funds consider further expansion in the U.S. bodies like the smaller though expanding Pension Funds Property Unit Trust are contemplating their first move into the market. The list of UK property companies already in the U.S., such as Slough (whose West Munro building in Chicago is now over half-let) and MEPC (which has just added a 57m Houston office complex to its growing portfolio) are being joined by newcomers like European Ferries and Crouch who believe the investment and development market across the Atlantic is a place to be.

Pioneering

European Ferries is embarking on a £134m joint venture commercial property development in Denver, Colorado, while Crouch has acquired its first U.S. property which it intends to refinance in order to move on with further expansion in conjunction with a future U.S. corporate partner.

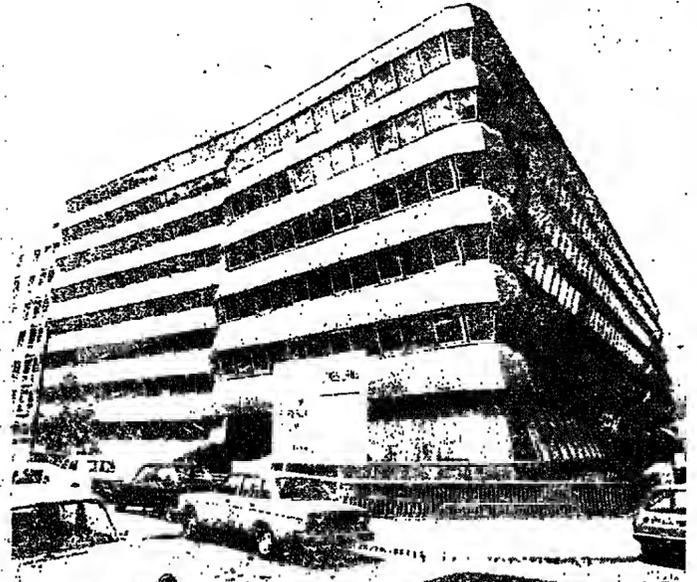
America has also become a promising marketplace for the major UK agents, who have in the past carried a pioneering (if patchy) trail overseas and who believe their breadth of exper-

ience and experience has much to offer the property sector on the other side of the Atlantic.

Names such as Richard Ellis, Jones Lang Wootton, Debenham Tewson and Cbinlocks, Healey and Baker and—the most recent recruit of all—Knight Frank and Rutley, all hope to extend their influence by assisting European developers and investors in the U.S. and in helping strengthen links in the opposite direction.

The U.S. does not, however, constitute the only potential growth market for property investment and development, and companies will, more than ever, be anxious to maintain the age-old principle of spreading investment portfolios geographically as well as across various market sectors.

To European companies and institutions, the natural inclination (though not necessarily the eventual result) will be to stick as close to “home” as possible. Although the possibility of non-European funds and operators homing in on Europe cannot be ruled out, signs of such a trend have been limited in the face of incompatible international standards and management styles—plus lower confidence factors—and fiduciary markets capable of deploying the overwhelming percentage of their resources.



Paris investment transaction—the Rothschild Investment Trust has sold its major interest in Ritep X BV, a Dutch company owning an 8,500 sq. metre office building at 72, rue Regnault, Paris. Jones, Lang, Wootton acted for Rothschilds and the joint purchasers were the Dutch Fortress Group BV and the Friesch Grontingsche Hypotheek-Bank NV, of Amsterdam

Increasing investment interest in Belgium

THIS TIME last year we noted that the major estate agents in Belgium were not expecting 1978 to match the mini-boom of 1977 as far as lettings were concerned. The figures now prove them right.

Estimates of the actual take-up of office space in Brussels last year vary between 140,000 sq m and 200,000 sq m leaving a current supply of between 375,000 sq m and 400,000 sq m—the latter figure being the most widely accepted.

What the figures also show, of course, is that the underlying trend which had begun to emerge in 1977 has continued. The oversupply which has dogged the city since the heady days of 1971 and 1972, is now approaching something which can more realistically be described as balance.

Less than three years' supply now exists and with new development at a complete standstill—a recent report by Jones Lang Wootton noted that no new speculative scheme was started last year—theoretically there could shortly be an upward pressure on rents.

So far, however, there are no signs of any such trend. Rents in the Quartier Leopold, for instance, seem to have stabilised at around BFR 2,500 per sq m to BFR 3,000 with only the very rarest special unit in the heart of the banking area fetching the BFR 3,750 per sq m which was not uncommon in 1973.

Indeed, Knight Frank and Rutley has recently put forward a good argument that the communications and services available throughout Brussels means that a hitherto “secondary” locations could look very attractive to potential tenants if prime rents began to push upwards.

Pressure

Agents are also cautious about predicting an upward pressure on rents occasioned by increases in the Brussels bureaucracy and the prospects of new missions from Greece, Spain, and Portugal as these come seeking admittance to the EEC. They fear that the amount of new space needed to accommodate this growth could be smaller than hoped for.

Caution is also indicated by the fact that unemployment, apparently holding steady at 6.5 per cent of the workforce in December, has begun creeping up again.

On the other side of the coin, however, general economic indicators are looking set for a resumption of modest growth and, according to Richard Ellis, this had already begun to show through in the first couple of months of 1979 with increased activity in both office and industrial lettings.

The biggest change, of course, in the spring was the swearing in of a new Government after nearly half a year of no government at all.

Unfortunately, this could be a mixed blessing for the property industry. Stability in Government—through a relatively balanced state of the political parties—is obviously desirable. But it does bring closer the introduction of a Bill to control rental agreements.

Back in August, when the Bill was intended to become law for the New Year, Richard Ellis published a pamphlet outlining its major effects. Presumably now there will be requests for copies.

The most significant clause in



Brussels faces an increasing shortage of large office units which are keenly sought by international companies

the Bill is that prohibiting any other method than indication for rent reviews. In particular, it outlaws rental negotiations at the end of three year periods. This system, fostered by the British property companies was a compromise between the British system where 25-year leases are broken by five-yearly rent reviews, and the Belgian nine year lease where either tenant or landlord has an option to dissolve the agreement every three years.

Other major innovations are changes in the items which can be charged as service charges—landlords will have to bear certain costs themselves—and tight regulations on the responsibilities of both tenants and landlords over the physical conditions of buildings at the start and ends of leases.

The threat of this legislation is posted by stockbrokers Quilter Hilton Goodison as a major discouragement to new development and the reason for their suggestion that rents could react to reduced supply by late 1980.

This dampener on development is having its predictable effect on the investment market. At the year-end, most agents were putting prime office yields in the range 7 to 7½ per cent.

By March, both Richard Ellis and Grimpeys (which has just joined forces with local agents Marphi SA) were registering yields of around 6½ per cent.

Bernard Thorpe had already begun to notice this fall in Antwerp by the end of the year and put office yields in the 6½ to 7½ per cent bracket against the 7 to 8 per cent registered in 1977.

Demand is said to be high among investors, though the British pension funds, which are dipping their toes again in the Dutch market, for instance, have still to do more than paper calculations. They are not reassured by the news of falling yields.

One development which is generally welcomed is the firm establishment of Antwerp as a significant office centre. Accord-

ing to Bernard Thorpe, office supply in Antwerp at the beginning of the year was about 100,000 sq metres, about three times the take-up in 1978 and 1977.

Last year there was a drop to only 22,000 sq metres but it seems likely that a pickup is occurring. Rents for the very best properties have topped BFR 2,500 per sq metre.

As with Brussels, there is a continuing and increasing shortage of large units which are keenly sought by international companies needing more than 3,000 sq metres of space.

The industrial market gives indications, both in Antwerp and the Brussels conurbation, of being stronger than offices. Prime rents in the Brussels area seem to have crept back to around BFR 1,200 per sq metre and, Richard Ellis has noted a number of pre-lettings since the New Year. In Antwerp, rents have tended to be around the BFR 1,000 per sq metre with supply dwindling in the north part of the port area.

This will, however, be offset by the first phase of the 220,000 sq metre Three Ways Industrial Estate by the Shell Pension Fund, now ready for occupation.

Encouraging

Yields on industrial properties have tended to hold in the 8 to 9 per cent range which is beginning to attract institutional investors again. A few special sales have taken place at 7½ per cent where the lease is a straightforward nine years without break clauses.

The retail market also appears to be firm and one of the encouraging aspects is that the opening of three major schemes within months of each other—City 2, in Brussels, Century and the Rubens centres in Antwerp—should establish true comparability within the country.

At present, the indications are that prime retail units are fetching around BFR 20,000 per sq metre in Brussels and BFR 12,000 per sq metre in Antwerp.

All the schemes, needless to say, have been undertaken by the big Dutch pension funds looking for the next stage of expansion after the mammoth developments undertaken in their home country.

The final market for property certificates—also seems healthy. This peculiarly Belgian investment market, whereby individual investors can participate in direct equity investment through receiving dividends rather than rents or capital gains, has been in existence for 10 years or so. The market is fairly small but it has been more active of late.

Richard Ellis recently noted that the BFI milliard issue by Wnluwe Shopping Centre was fully subscribed on opening at an initial yield of 8 per cent.

Banque Bruxelles-Lambert monitor the performance of these bonds and their most recent chart shows an average 8.5 per cent initial yield, compared with a running yield of 5.33 per cent average in 1978 prices. This suggests an annual average rate of growth of about 6 per cent over the past decade. Not startling returns besides, say, the British property bond, but without the same rollercoaster thrills some of these have provided over the same period.

Taken all in all, the Belgian property market now seems out of the convalescent state and back to comfortable, if not ruddy health. One can expect a steady increase in institutional investment interest throughout the second half of the year so long as the Government remains stabilised and the economic indicators keep pointing forward.

Belgium is no more removed from the world's fuel shortages than any other country, of course, and it could be that, by the winter, Europe could be feeling the effects of petrol rationing already being sampled by the U.S. and Japan. They're not only the property sector but the entire economy would hit a major setback.

Christine Moir

Healey & Baker

“In an overseas real estate market strong connections are vital”

The Partnerships' international representation offers its clients wide ranging professional experience in the principal real estate markets of the EEC and the USA.

The presence of qualified surveyors in each of our offices ensures the highest standards of professional competence based on a detailed understanding of the local and national economies.

As a Partnership that is totally independent from any outside interests, our service is to provide real estate advice on an international basis.

Healey & Baker

Established 1820 in London

29 St. George Street, Hanover Square,
London W1A 3BG 01-629 9292
City of London 118 Old Broad Street London EC2N 1AR
Amsterdam Brussels Glasgow Jersey New York Paris

Handwritten signature or mark at the bottom of the page.

Strong demand in Germany

LAST YEAR was the best for the German property market since the boom days of the early 1970s. With the return of the German institutional investor, there was intense demand for all types of property and the yields on created investments continued to fall.

According to the German office of agents Weatherall Green and Smith, interest rates in the country are the lowest for many years. Letting markets throughout the country have been very active, particularly in the retail sector. The office market has been "patchy," but in some of the major centres there is a growing shortage of office accommodation.

Because of the shortage of offices coming on stream, following the lack of development during the past three or four years, a substantial rise in rents is anticipated for offices over the next two years.

The enviable strength of the German economy continues. Official annual inflation figures are now averaging 3½ per cent on a year-to-year basis. There is a firm confidence in the business stability of the country.

The most immediately apparent feature over the past 12 months has been the amount of institutional money which has been available for investment in property.

Encouragingly, the bulk of this money has been German and has originated from the insurance companies and the open and close ended funds. The latter in particular have become increasingly aggressive in their purchasing policies as demand from the public for property investment has increased.

Although residential property still forms the heart of many portfolios, the demand for new acquisitions has been greatest for new central area commercial properties, not only in the major international towns and cities but also in the smaller communities. In Germany the distribution of wealth throughout the country gives far greater possibilities for achieving such a spread of investments that is available in the United Kingdom.

Out-of-town shopping centres let to substantial covenants have also been favoured, although individual super-

markets have had to pass fairly stringent tests as regards the covenant of the tenant and location before purchase is considered.

Weatherall says that warehousing and industrial property is not yet viewed as a suitable form of investment by German institutions. Although some now appear to be buying some of the better located distributions centres.

With a shortage of realistically-priced created investments on the market, many institutions have been prepared to consider the forward purchase of development schemes, normally on the basis of a turnkey acquisition with pre-lettings or rent guarantees on any unsecured income.

Exceptions

However, Weatherall has found that, with certain notable exceptions, the majority of German institutions are still reluctant to return to wholly speculative development propositions, although there have been signs in the first quarter of this year that this view may be changed because of the shortage of other investment outlets.

But it is not only German funds which are buying property; some UK and Dutch funds have been fairly active during the past year. This foreign activity is expected to remain at a steady level during the rest of 1979.

The Singer and Friedlander European Property Trust is typical of British investors' interests having acquired a modern office block in Frankfurt close to the banking and financial centre of the city at Gutleutstrasse. The building was constructed in 1969 with a floor area of some 25,000 sq ft of offices on eight floors, with two lifts and central heating and car-parking at ground and basement levels. The entire property is let to Siemens on a lease expiring in March, 1980. The rent amounts to DM 499,337 a year (£125,000). The freehold interest was valued by Jones Lang Wootton's German office at DM 7.75m (£1.44m), including normal costs and taxes payable by a purchaser.

The property is financed by way of a local mortgage of DM 4m (£1m) at 6½ per cent

a year until January, 1988, and by a loan of DM 3.55m (around £1m) fixed at 7½ per cent until 1983.

Weatheralls state that yield calculations on a UK basis vary from one investor to another but working on the basis of the actual net return to the investor on total investment costs the highest prices which that firm has direct evidence reflect yields between 5½ and 6 per cent for prime rack rented city centre office and retail investments.

The firm states: "We would not be surprised to bear of an investor willing to accept a return down to 5 per cent for something outstanding."

Taking into account the high levels of purchasing costs in Germany, these figures would reflect between 15 and 16 years purchase and up to 17 years purchase, or even above on net rentals.

Forward purchase commitments have tended to add between 1 per cent and 1½ per cent to the yields at which investors have been prepared to conclude a purchase, although this year competition has narrowed these margins, especially where there has been a substantial degree of pre-letting involved.

Jones Lang Wootton has found that the greatest demand is in the cities of Frankfurt, Düsseldorf and Hamburg and in these locations development is again viable.

In other cities, however, the market is more sluggish with an over-supply of space, combined with an absence of significant demand from major space-users keeping top city rents in Stuttgart and Munich down below the level which makes fresh development viable. In Hanover, Bremen and Cologne rents are even lower, making development unlikely in all but the most exceptional circumstances.

Because the development of speculative factories and warehouses for rent represents a relatively new departure for West Germany, construction has not kept pace with demand. There are, therefore, a number of development opportunities available in the industrial sector, providing, of course, that schemes are restricted to really strategic locations.

Robert Campbell of Jones Lang Wootton's Frankfurt office told me recently that the retail property sector is now

presenting many opportunities. He said: "While there are 12 West German cities with populations of over 500,000, there are also 62 with over 100,000.

Many of these have recently carried out pedestrianisation schemes and there is evidence that these projects have had the effect of increasing turnover, which, in turn, has increased the attraction of shops in these locations as investments."

In Germany, there are few national multiples, many large retail outlets in German towns and cities are still very much in private family hands, although there are signs that a number of regional chains are now wanting to expand nationally.

British agents appear to be gaining an increasing amount of agency work and most of the large firms with offices there have been acting for a growing number of local firms. In April, Weatherall acquired a long lease on a 70,000 sq ft office building in Frankfurt for the regional planning authority for the Rhein-Main area.

The German public authority originally approached the agents at the end of 1978, after abandoning its plans to develop

its own building and urgently needed the advice of the agents to solve its pressing space requirements.

German mortgage finance continues to be fairly reasonably easy to obtain and although interest rates have risen slightly from the low levels of last year, with five year fixed mortgages on commercial property now being charge at 7 per cent rising to 7½ per cent for fixed ten-year mortgages and 8 per cent for 12 year money. These rates are about 1 per cent more than six months ago.

At one point last year it was possible to secure long-term mortgage finance for a new property development project with interest fixed at 6½ per cent for 15 years.

While interest rates have moved up in line with the Federal authorities policy of curbing inflation, they are still low enough to make new development viable in those locations where the letting market has been active and there is little surplus in completed schemes and where there is little development under way.

Much of the foreign investment now under way in Germany has been by way of back-to-back loans or currency swaps, and the attraction of securing medium term finance at comparatively low rates of interest is bound to stimulate further purchases by British funds.

Since foreign investing institutions which enjoy gross fund status in their own countries do not, in the main, receive a reciprocal status in Germany, the attractions of gearing as a form of tax shelter has its appeal.

The economy of the Federal Republic is the envy of most industrialised nations of the West and the Deutschemark shows little sign of relinquishing its premier position among world currencies. Interest rates are still low by most standards and inflation rates even lower. For these reasons, Germany holds great attractions for British investors, though it will probably be a very long time before the developers return, after the mauling they received in 1974.

Rory Ferguson

France escapes from the squeeze

SINCE LAST autumn there has been growing confidence in the French economy following the self-imposed austerity during 1976 and 1977.

The last three months reflected a more confident nation as industrial output increased and a slight fall in unemployment was registered. These more positive signs gave France and its property industry an optimistic start to the new year.

As London does here, Paris dominates the country's property market and is considered the barometer for France as a whole. Although Paris appears to be nearly two years behind London in a property market

sense, there are clear signs that the French capital is beginning to catch up.

Certain areas indicate shortages of good office accommodation with rental values on the increase and falling yields. Once more development is being considered following the glut of office schemes during the early 1970s.

However, both potential developers and investors are showing signs of nervousness as the country begins to face the realities of higher oil charges and a worsening industrial relations climate. It was estimated earlier this year that previous oil price increases decided by

OPEC would add a further FFr 6bn to France's imports bill. This is after turning a foreign trade deficit of FFr 20bn in 1978 (FFr 11bn in 1977) in to a small FFr 2.5bn surplus at the end of 1978.

This is coupled with the gloom hanging over the steel industry, where a decision to axe 20,000 jobs has been made and where the workers showed their discontent by taking to the streets.

Take up of office space in the Paris region is estimated to be about 400,000 sq metres a year over the past three years, although last year's figure was thought to be well above this

average at close to 450,000 sq metres. According to the latest study by l'Institut d'Aménagement et d'Urbanisme de la Région Ile-de-France (LAURIF) the breakdown is: Paris, 35 per cent; the western sector (including La Defense at 19 per cent), 38 per cent; the northern and eastern sectors—20 per cent; and the new towns five per cent.

The study also indicated that the amount of office space completed and available in the Paris region at the beginning of September totalled 650,000 sq metres. But of this total only about 65,000 sq metres was available in Paris itself and about 130,000 sq metres in the western sector.

Local agents point to the current imbalance of supply and demand between Paris and the western sector, and the other sectors of the region. More than 70 per cent of the total take-up of office space has been in these two sectors against a supply of 30 per cent; compared with a 25 per cent take up in the northern and eastern sectors against a supply of 70 per cent.

The pressure on the main Paris office market, along with La Defense, is so great that agents such as Richard Ellis are predicting that all the current stock in these areas will be absorbed by 1980. But there is little development currently taking place which can satisfy the market and so demand will have to be transferred to the new towns and the northern and eastern sectors of the region.

As Weatherall Green and Smith's French partner M. Paul Buttery concluded in a recent report on the Paris office market, development is once again being seriously considered. He points, however, to radical changes in the authorities' attitude to large-scale development which was undertaken in the 1960s and early 1970s.

Legislative changes to rules such as plot ratios indicate that massive office schemes are a thing of the past and any medium-to-large blocks will be restricted to Government or local authority development areas, Mr. Buttery concludes.

And it seems likely now that any future office schemes within Paris will be restricted to refurbishment and much smaller scale projects than the city has seen over the past decade.

Clearly this will create tremendous pressure on Paris's office market which will be reflected in higher rent levels as existing available space is absorbed. Over the past year alone rents increased by almost 10 per cent in Paris and the west while the rest of the region has remained fairly stable. Richard Ellis reports that sale

prices have increased significantly over the year with a number of deals at record levels in the city centre. The highest, say the agents, was FFr 23,000 a sq metre for a refurbished listed building in the Champs Elysees.

After a false start La Defense, to the west of the city, is beginning to attract a great deal of interest both from tenants and investors. During the past 12 months a number of major deals have been concluded in the huge office development area and for the first time since 1973 new schemes are being considered.

Three major schemes have been announced since the start of the year. Two of these are being undertaken by Groupe Seer: a massive 60,000 sq metres development in the form of eight interconnecting buildings known as CB20, and a smaller 12,000 sq metres scheme, CB 6. Interventionism are developing the third project, PB 11, which will be 37,500 sq metres of offices.

A characteristic of these new developments is that they are all low rise with much simpler forms of air conditioning than has been normal. This new trend is aimed at keeping service charges and overall rents as low as possible.

All three schemes are expected to be completed by the end of 1981 and so far about 40-50 per cent of both Seer's developments are pre-let. With present asking rents in the FFr 550-FFr 650 per sq metre range.

Also in La Defense the U.S.-based Citibank has sanctioned the construction of a new 21,000-sq-metres head office building with an option to extend it to 40,000 sq metres. And in the Nanterre area of La Defense, EDF is in the process of building a 20,000-sq-metres block for its own occupation.

Over the next five years it is intended to increase developed space in La Defense from its present 650,000 sq metres to 1.2m sq metres.

Within central Paris the lack of substantial new developments is being reflected in falling yields. In the last six months or so yields have fallen from 8 to 7 per cent and although it has never fallen below 7 per cent the pressure is on.

In Britain the pressure of investment money is beginning to build up which, coupled with a scarcity of suitable investments, means that previous parameters are being abandoned. Institutions are already considering vacant office blocks and co-ownership properties. A number of local agents are looking for a break through the 7 per cent yield barrier within the current year.

By a Correspondent

EUROPEAN PROPERTY



**Weatherall
Green & Smith**
22 Chancery Lane London WC2A 1LT
01-405 6944

Chartered Surveyors and International Property Consultants

Offices also in Leeds Wakefield Paris Nice Marseilles Frankfurt and Munich

INTERNATIONAL PROPERTY IV

High-priced sites in Ireland

LONDON
MATTHEWS GOODMAN & POSTLETHWAITE
72 Upper Thames Street EC4R 3UA
01-248 3200

LIVERPOOL
MATTHEWS GOODMAN & POSTLETHWAITE
4 Water Street L2 3SP
051-236 8732

PARIS
MATTHEWS & GOODMAN S.A.
63 Avenue Marceau 75116
720 23 17

Surveyors, Valuers & Estate Agents

THE STORY with property in Ireland is one of boom in all sectors for most of 1978, then a cooling off in the last part of the year following a Government credit squeeze in September, but continual upward pressure since then.

The push in prices starts with the high cost of land, and the comparative shortage of the right kind of building land. Since Ireland joined the Common Market in 1973, agricultural land has been at a premium because of the good return farmers get from the Common Agricultural Policy.

There are some 12m acres of agricultural land in Ireland, but only 3 per cent of it changes hands each year. Of this, 3 per cent over 50 per cent is passed from father to son, so that the amount of agricultural land coming on to the market is small indeed.

With even small farms of, say, 50 acres showing a good return—something like £5,000 a year, if properly worked—it is small wonder that there is little agricultural land being converted into building land. In prime areas such as County Meath, north of Dublin, which is flat and has a long grass growing season, land can fetch up to £4,000 an acre. By contrast, agricultural land in Sussex in the south of England, can still be found at some £1,300 an acre.

The price of agricultural land, however, is only one factor pushing up the cost of building land. It is pertinent to prices generally however, that fewer people want to leave the land (that is give up owning it rather than working it).

Additionally, there has been no control on foreign ownership of land, and we still do not know how recently imposed foreign exchange controls will apply to repatriation of capital. This has meant that the Dutch in particular have flooded into Ireland buying farms, mansions and holiday homes by the score.

The result is that the days when a charming thatched cottage could be found in remote Kerry, say, done up with the help of a friendly local builder in need of work all for the cost of £5,000 are long gone.

Today in beautiful Connemara in the West of Ireland, any kind of country cottage would probably cost something like £10,000 if it had any sort of services.

A more important factor in the cost of building land as

opposed to agricultural land which could become building land is the shortage of services. This paucity works at all levels. Ireland's telephones are by common agreement woefully inadequate. For example, direct dialling to other European centres is only possible in five towns, and even then connections are uncertain and not often of very good quality.

The country's road network also leaves something to be desired. There are no motorways in Ireland and less than 100 miles of dual carriageway.

Ireland is also short of power, and electricity is not always guaranteed. The water systems are also unpredictable and in the winter hot water in even the best Dublin hotels can be difficult to come by.

With these factors, pressing up prices for land on the supply side, there are also pressures the demand side of the coin.

Ireland has one of the fastest growing populations in Western Europe. Largely because of Common Market membership the country has witnessed high rates of economic growth in the past couple of years, measured in both GNP and per capita income terms (although in the latter Ireland still has some way to catch up with Britain).

But due to antiquated planning laws, getting building permission can be a lengthy process. This tends to put pressure on the price of existing houses.

In Dublin, the price of houses at most levels increased by 40 per cent last year and only started to steady out in the last three months. In Cork, Ireland's second largest city, prices increased by an average of 25 per cent at the lower end of the market and 35 per cent at the higher end, while in Galway, in the west, prices really boomed, increasing by over 50 per cent in most categories.

In Dublin's southern suburbs, the favourite area of professional people, the prices of detached three bedroomed houses close in to the city increased from something under £40,000 on average to over £60,000. Further south in an area like Sandymount three bedroomed houses were going at auction for £35,000 not so long ago.

The price of flats also rose steeply, probably by between 30 and 40 per cent in Dublin. In Ballsbridge, which is part of the southern end of Dublin, flats sold at the end of 1977 for £12,500, fetched £23,000 12 months later. In Milltown further southwest large flats selling in the £20,000 range went up to £35,000.

At the top end of the market, fine Georgian houses in at least an acre of grounds can hardly be found for less than £100,000 and usually cost more.

In terms of office renting, the situation in the last 18 months has gone from one of being a buyers' market to a comparative shortage. Again, it has been a case of a buoyant economy and a comparative lack of sites. Although there are four big projects which will include offices in progress in Dublin at the moment, there are generally speaking few areas available in the city centre for this kind of development.

Elegant

One reflection of this is perhaps the tremendous future caused by the Wood Quay development plan on the banks of the Liffey River. Recently, a High Court decision gave the go-ahead to the Dublin Corporation to develop this site. It is, however, one of the most valuable Viking sites in Europe and conservationists and scholars have joined forces in a series of protests against the development.

Because of the lack of new development opportunities, there is an increasing tendency for the large spacious Georgian houses in the capital to fill the gap in office space.

In the very centre of Dublin, rents can reach up to £8 per square foot. The norm is nearer £2 per sq ft, for offices in Fitzwilliam or Merrion Square, how-

ever. These large, elegant houses, which have become too expensive for families to live in, make excellent offices, for certain types of businesses, such as solicitors, advertising agencies, and public relations companies. However, again services can sometimes be uncertain, with telexes and telephones unreliable.

For the industrialist looking to build a factory, the problem of services again crops up. However, the Industrial Development Authority helps with the cost of factory purchase and has a number of estates (self which companies can set up with good facilities).

The boom in Ireland is now probably over and, as in Britain in 1974, house prices rocketed as credit was available to levels where prices inevitably had to level off if people were going to be able to afford houses. Bargains have not probably disappeared, but the Government tightens up credit (the limit this year is 18 per cent) prices should start to level out. One factor the Government will have to do is clarify the position for foreign residents about selling-up and repatriating capital. This has not been made clear since exchange controls were introduced last December.

Stewart Dalby

SURVEYORS CONSULTANCY SERVICES
(Incorporating Property Executives)

109 Kingsway, London WC2B 6PP
Tel: 01-405 0732 and 01-405 8841

Principal: Ian L. Brown MBIM
Associate Partners: Neil O. MacLeay & Ann McLarty

SERVICES PROVIDED

Advice and assistance to surveyors and members of all branches of the surveying/property profession in matters relating to:

- (a) Appointments (at all levels) throughout the United Kingdom, Europe, U.S.A., Canada, Middle East, Australia and Far East etc.
- (b) Consultancy advice on career guidance, partnerships/directorships, practice administration, commercial posts and allied matters.
- (c) Amalgamations/mergers of practices. Arrangements for associations etc.

All enquiries and correspondence treated in strict confidence. Interviews by appointment.

N.B. Ian Brown will be visiting U.S.A. and Canada May/June 1979.

The banks have been keen to lend money. Last year money supply (M3) increased by 28 per cent. (M3 is defined as currency outstanding plus associated banks current and deposit accounts plus non-associated banks current deposit, and other accounts less all inter-bank balances.)

Building societies have been happy to lend money particularly up to £16,000, and have recently resisted attempts to have their lending limits lowered.

With the economy hurtling along and money plentiful, house prices have rocketed and office rents have become much more expensive.

An average is difficult to arrive at since prices vary so widely depending on location and the availability of services. But in a non-urban poorer area, land went up from £3,000 an acre to £8,000 an acre by the end of last year.

Some acres of Wicklow, a popular area for expatriate writers and artists, have seen

ONE OF the major developments in the Italian property scene has been the long-awaited arrival, after some years of delay, of the Equo Canone, or the Fair Rent Law.

It will no doubt take some years for the full effects of the new law to bite but the provisions on rent reviews for industrial and commercial properties could lead to a greater mobility of tenants and a generally more active market.

Though a tight rein is still to be kept on residential properties, business leases could now be more attractive to investors. In a nutshell, leases will in future be pitched for a minimum term of six years with the option for the tenant of another

six years. Rents are fixed for the first three years, with revisions thereafter tied in to the Government's cost of living index.

The law also makes provision for rent reviews on existing tenancies which had previously been blocked and gives the tenant first option to purchase the property if the existing owner wants to sell.

However, the main implications are yet to be felt and, for the moment, most interest in the Italian property scene can be summed up in the catch phrase, "small is beautiful."

While the industrial giants wriggle under the strain of extricating themselves from hefty debt burdens, small companies are setting a pace for some growth. The upsurge of the smaller business against its larger counterparts is reflected in the industrial property market where small units are in considerable demand even though the overall industrial scene has been far from buoyant.

The ideal industrial property—according to American Appraisal Italia, the Italian arm of London based General Property Valuations—is around 350 to 1,000 square metres, a pre-cast structure and situated in an industrial development close to one of the major cities. A property such as this could command a rent of £18,000 per square metre, and hold an underlying capital value of as much as £200,000 per square metre.

As property sizes creep up, capital values edge down. An industrial site in the 2,000 to 4,000 square metre range would only sell for between £130,000 and £180,000 per square metre. But larger industrial sites built in the '60s and '70s are proving very difficult to sell and prices can be as low as £30,000 per square metre. Reasons for the apparently cheap prices are fairly simple: rapid obsolescence, little possibility for modification and the high cost of demolition.

Yields on industrial properties are more enticing than office developments and range from a minimum of around 8 per cent to about 10 per cent with Milan offering a slightly better return than Rome. Obviously, there are geographical variations with the Italian Government attempting to swing more industrial development southwards away from the traditional industrial triangle of the north.

Most industrial development in Italy appears to be built to order with very little speculative construction. The Italian

economy can hardly be described as booming but it has been relatively good over the past couple of years and more interest is being displayed in small industrial sites, especially as the recent Rent Law is moving interest away from housing to industrial and office building.

A further point here is that industrial building is exempt from development tax which can be up to a tenth of building costs.

However, what is beginning to worry some agents in Italy is that the new movement to invest in industrial property could result in a glut by the end of this year. Obviously there are all sorts of imponderables in this scenario, not least the pending election of a new government, but the fact that some property men are beginning to worry about oversupply, hints at the need for some caution in assessing the future.

Buoyant

Demand for office space is reasonably buoyant in the main city areas and this is obviously reflected in rents and capital values. Some large office properties have come up for sale, and this underlines the problems of some of Italy's major companies with their overstretched balance sheets.

Some industrial groups have turned to selling off prestige office blocks to raise more funds. Pirelli's skyscraper in Milan was sold off to the regional government, but most of the major sites that come onto the market are being taken up by the banking community.

Despite the few sales of major sites it is still difficult to find prime property space in cities such as Milan, Turin, Rome and Bologna. Inevitably development outside the city centre is more freely available but not so readily taken up.

Rental levels are again biased towards smaller office accommodation. For relatively new air conditioned office space in a city centre in the region of 50 to 200 square metres the rent could be £80,000 to £120,000 per square metre. Capital value for the same office would be about £1.2m to £1.4m per square metre.

Office space in the 200 to 500 sq mtr bracket would command similar rent levels but capital values are probably hit less at £1m to £1.2m per sq mtr. Above 500 sq mtrs rentals start to come down. Office accommodation in the 500 to 1,000 sq mtr category will go for

£80,000 to £100,000 with capital values below the £1m/mark for some, though prices vary up to £1.1m per sq mtr, office accommodation of 1,000 sq mtr and above sell for £500,000 to £1m while rents slip back to £70,000 to £90,000 a sq metre.

Older office property understandably has lower values. For example at the smaller end of the scale rentals are around the £60,000 to £100,000 level with capital value between £850,000 to £1m. Office accommodation above 1,000 sq mtrs can be rented for as little as £50,000 with selling prices as low as £600,000 per sq mtr.

Yields for investors in the office sector have been improving recently and in Milan good property can return over 7 per cent with Rome slightly lower. There are always the exception and one recent deal went through with a yield nearly down to 6 per cent and a rental value in excess of £125,000 per sq m. However, yields on office development are still good compared with those obtainable from residential buildings.

One of the big problems for

Italians is the lack of economic accommodation in the city area. It is a politically sensitive problem, so one that is up in the air until the new government is elected. However as the situation stands new development cannot keep pace with demand. Figures are pointing to perhaps 165,000 flats to be built during this year but estimates are suggesting that the number needed is double that figure.

Properties are available but at prices far outside even middle-class incomes. An up-market, but far from large, apartment in the centre of Milan could cost as much as £100m. This is an extreme, but to come within the scope of what the average family can afford selling prices should be no more than £200,000 per square metre.

The Government has a 10-year plan to aid housing development, which in a nutshell offers help to various regions but the plan has been criticised for being almost inoperative because of bureaucracy. At best it has been suggested that the Government can only supply 40 per cent of private housing needs. The rest must be met from private developers, and various schemes, such as low interest finance are available.

The problem is that yields are not attractive enough to stimulate sufficient building. The Italians are unlikely to overcome this problem in the short term.

Terry Garrett

KEY SITES
Industry and Commerce Make it in Wales

Join the international squad of companies already in Wales, these include:-

| | | | | |
|--------------------|-------------------|--------------------|----------------|----------------------|
| Alec Warner | British Oxygen | Dow Corning | Hoover | Rio Tinto Zinc |
| Burke | BP Chemicals | Dunlop | Hotpoint | Rubery Owen Rockwell |
| Felix Baitcher | Cadbury Schweppes | Esso Petroleum | ICI Fibres | Sony |
| English Aluminium | Can Cars | Ford Motor Company | ITT Cired | Sulco-Sm |
| English Insulated | Carl Kammerling | Gablain | Kellogg | Wella |
| Callender's Cables | Control Data | GEC | L'Oreal | Wilkinson Sword |
| | Courtauld's | Gulf Oil | Matsumoto | York Trailer |
| | Dow Chemical | Hilti Industries | Rehau Plastics | |

Particulars and details of the following strategically placed sites will be forwarded on request:-

- 1. North East Wales, Kinnel Park.**
A 1.1 he (2.7 acre) industrial/warehouse site situated on an intersection of the proposed A55 Expressway. Terms have been agreed in respect of the another part of this site with one of the above-named international companies.
- 2. Near Cardiff, Llantisant Common.**
A 6.6 ha (16.3 acre) industrial/warehouse site directly linked with the M4/M5 Interchange. This site could be dispensed in parts.
- 3. Near Cardiff, Talbot Green.**
A site for development as a retail warehouse complex of up to 10,000 sq.m. (107,600 sq. ft.), in all extending to 3.46 ha (8.58 acres). Located approximately 2 miles from the M4/M5 Interchange to which it is directly linked. The site is adjacent to a district shopping centre now
- 4. Cardiff, Coryton M.4 Interchange.**
A 4.2 ha (10.5 acre) site suitable for hotel/research establishment or similar development. Slip road access in motorway.
- 5. Cardiff, Ty Glas.**
Industrial/warehouse site of approximately 8.5 ha (21 acres). Spine roads are to be constructed by this Authority. Easy access to motorway.
- 6. Between Bridgend and Swansea, Port Talbot.**
Next to the British Steel Corporation plant. A 37.23 ha (92 acre) industrial development site situated at the junction of the M4/A48 roads. This site is bounded to the south-west by the main London/Swansea railway, allowing for the possibility of a direct rail link. This site could be dispensed in parts.

Enquiries to:
LAND AUTHORITY FOR WALES
AWDURDDOD IŶ CYMRU
Brunel House, Fitzalan Road, Cardiff. Telephone (0222) 435077

Bernard Sunley Investment Trust Ltd
NORTH CIRCULAR ROAD
Staples Corner, NW2

5,500-250,000 sqft
Warehousing
To be Let AVAILABLE SHORTLY

SHEPHERDS Bernard Thorpe

94 Park Lane London W1Y 3TA
01-493 0271 Telex 258172

7 Buckingham Palace Road London SW1W 0GD
01-834 0693 Telex 8213389

Handwritten signature or mark at the bottom center of the page.

Dutch market reflects UK situation

THE DUTCH property market, which in recent years has been transformed by the penetration and influence of British agents, institutions and developers, in many respects now reflects the current situation in the UK.

Large volumes of institutional finance—principally the pension funds—remain ready and available to be committed to prime property investment, though with attractive opportunities hard to find and new development activity still very patchy. Overseas markets are tapping a sizeable portion of the funds available.

If only because such investors have to pay pensions out in guilders and wish to avoid the rigours and potential pitfalls of the "currency hoop," investment within Holland remains the most attractive option for operations which in many respects remain fairly unsophisticated in property world terms. Even so, neighbouring countries such as Germany, Belgium and France are now soaking up a fair proportion of the funds available for property investment and some investors are going further afield to countries such as the U.S., while Dutch developers, too, are looking further afield, including the UK.

Funds

On the reverse side of the coin, there has been a continuing inward, if modest, flow of institutional money into Holland, with German pension funds and Belgian insurance companies, for example, investing in Dutch property.

Several British institutions are also maintaining an interest in a market which may not be as fashionable as it once was, but which still provides some good investment opportunities. The Pension Fund Property Unit Trust has, within the last few months, acquired two prime shop investments in Holland—in The Hague and in Amersfoort—while the Singer and Friedlander European Property Trust has just purchased a retail investment in Amsterdam.

The British Post Office Pension Fund has also shown a continuing and close involvement in the Dutch market, having purchased a selection of offices, shop and industrial investments throughout the country in the last two years. There is now a suggestion that it is looking for a major investment opportunity in the form of a headquarters building and that the price tag is larger than the firm acquisition in 1978 of a wholesale centre investment in Utrecht.

Investing in Dutch commercial property has several attractive aspects, not least the absence of hardly any legal curb to establishing market rental levels. A prevailing and strong demand for commercial investments continues to support an upward trend in values,

though at a lower rate than the trend established in 1978 and 1977.

New legislation, allowing investment premiums to owner occupiers as high as 38 per cent of building costs, and the curbing of commercial construction in the so-called "Randstad" region—the densely populated area embracing Amsterdam, Rotterdam, The Hague and Utrecht—will make it more difficult, however, to develop commercial property for the letting market, resulting eventually in an even greater scarcity of good commercial investments.

The investment market for individual offices and industrial property remains buoyant and there is continuing demand for industrial estate investments.

In the office sector, a fairly longstanding over-supply situation in several of the major centres is now rapidly changing to a position of under-supply, implying a healthy outlook for rental growth. The take-up rate in the office market remained fairly stable last year—matching the 1977 level—with about 3m sq ft of office space either let or sold.

But it was not until the end of last year that new development activity began to reflect rising demand and pressures are now bound to increase in a relatively strong letting market before the new space becomes available.

Amsterdam, in particular, faces a serious supply situation, with development in the city itself hardly ticking over—and unlikely to increase again in view of the restraints imposed by the authorities on new building and renovation work.

The effect of the limited office market is unpredictable, though despite the fact that numbers of large space users are now moving out to popular suburbs such as Diemen and

Bilmermeer there will always be a requirement for office accommodation in the centre of the city itself, often involving a presence in a head-quarters operation for banks and other financial institutions.

Demand

Last year in Amsterdam, about 125,000 sq. metres of office space was taken up, a 25 per cent increase on the average figure recorded in the preceding few years. With the supply of vacant space now standing at around 50,000 sq. metres, the pressure of demand could imply at least a 10 per cent annual rental growth over the next two to three years. Much will now depend on the rate of migration to the suburbs, with their modern, efficient office blocks.

In Rotterdam, where large-scale city centre redevelopment has been possible, there is by contrast a huge oversupply of office space, with a current excess of over 100,000 sq. metres of accommodation against an average annual take-up rate of about 50,000 sq. metres, over the last three or four years.

The situation means that it will most likely take up to two years to let the stock of vacant buildings and the new development schemes are invariably being held in abeyance—if only on a temporary basis.

In The Hague (a special market where peculiar market forces prevail), there has been a shortage of office accommodation, sparked off three to four years ago by a big government take-up of space.

The demand-supply position in the city—where rents since 1974 have been lower than in Rotterdam and Amsterdam but are now generally higher—is now considered to be roughly in balance.

The Dutch retail sector is now experiencing growth in investment demand in line with the overall performance of the shop market. Well-let retail premises are more popular, however, among private individuals and smaller investment groups, with the big institutions usually preferring the larger-scale retail centres which have recently been successfully developed.

In practice, however, many of these are owned and operated by the large retail chains who occupy them and invariably fall to end up in the hands of institutional investors.

Prime shop units of a marketable size are very easily let, although agents Richard Ellis report that rental levels for shop units of about 100 sq metres in cities like Amsterdam, Rotterdam and The Hague seem to have reached a certain ceiling in so far as central locations are concerned.

The Kalverstraat in Amsterdam and the Lijnbaan in Rotterdam, perhaps Holland's two most famous shopping streets, show rentals of around £30 a sq metre after some recent stagnation in rental growth. Decentralised locations in the major cities, as well as shopping centres in smaller towns have shown a steady rise in rental levels and it is expected that this trend will continue for the foreseeable future.

Industrial and warehouse development has represented perhaps the least attractive sector. The letting market for space of this type has in general been very slack over the last five years, although the situation in the major industrial centres has more recently improved, with substantial letting and development activity being recorded.

Construction work in the industrial sector has led to a steady and high supply of space,

especially outside the "Randstad" area. Activity was to a large extent the result of incentives given by the Government to special tax facilities for new investments, although these are no longer valid.

Despite the less than dynamic performance of the industrial sector in the past, investment interest on the part of institutions has been rising, the main source of demand coming from the Dutch themselves, who have found good shop and office investments hard to find.

Present investment yields in Holland, based on the British valuation principles, vary from 5½ per cent to 6½ per cent for central, first class offices and for prime located shop properties. Modern, well-located warehouses in industrial estates are presently showing yields of between 7 per cent and 7½ per cent.

Michael Cassell

**Quilter Hilton
Goodison & Co.
Stockbrokers**
Investment Property Service

We started our property service in 1962
We have provided the service to institutional investors day by day, week by week, in good times and bad. It is a continuing and comprehensive commentary on the property industry and embraces detailed studies of more than forty listed companies.

We also act as a corporate adviser to a number of listed and unlisted property companies.

If you would like to know more about investing in listed property shares or about how we can help your company, whether it is listed or unlisted, please write to us or telephone.

Members of the Stock Exchange
Quilter Hilton Goodison & Co.
Garrard House
31-45 Gresham Street
London EC2V 7LH
Telephone: 01 600 4177

NORTHANTS
SUPERB INDUSTRIAL COMPLEX
with EXPANSION LAND
124,000 sq. ft. approx.
on nearly **12 acres**

- * HIGH & LOW PRESSURE HEATING SYSTEMS
- * SPRINKLERED THROUGHOUT
- * VENTILATION SYSTEM
- * CANTINE & EXECUTIVE DINING ROOM
- * WATER RECIRCULATION AND
- * FLUORESCENT LIGHTING
- * POWER FACTOR CORRECTION INSTALLATIONS
- * EMPLOYEES CAR PARK

LONG LEASE WITH
14 YEAR RENT REVIEWS
Rent only
£48,200 P.A.

**Chamberlain
& Willows**
Estate Agents · Surveyors · Valuers
01-882 4633

Hale House Green Lanes London N13 5TG Telex: 299161

Economic burden in Scandinavia

PROSPECTS FOR property development in the Scandinavian countries have been overshadowed to a large degree by problems in the general economic climate. Denmark, Norway, Sweden and Finland have all faced difficulties inflicted by world factors. Property development, as so often is the case, has tended to take the brunt.

In Denmark, the property industry has yet to see any significant recovery from the setback of the mid-1970s when, in the wake of the world's first oil crisis, a decade of property expansion came to a painful end. Housing development, as well as commercial and industrial expansion, fell back alarmingly between 1972 and 1976. There are signs now, however, that the setback has been completed, and even that activity is beginning to recover.

The total area of property developed, which fell to only 8.4m square metres in 1974, has shown some improvement this year. Predictions now are that 1975 will show completion of about 11m square metres. This is still well below the peak levels of the earlier part of the decade but it would mean that 1975 will be the first year since 1975 to show improvement.

The picture in development of private homes is less encouraging. With the Government unwilling to expand public sector facilities, there has been no stimulation for the property industry from official sources. The hope for the future must be that Denmark's manufacturing industry will achieve the growth hoped for, so that industrial property development will be rejuvenated.

In these circumstances it is hardly surprising that much of the industry's attention, as well as its investment funds, have been drawn into overseas developments. In this, it has benefited from its long history of involvement in worldwide property and construction projects.

But Danish companies inevitably have found themselves involved in foreign projects primarily as construction groups, supplying a high level of technology and experience in prefabricated housing, rather than as property developers with access to funds and to longer-term investments.

Some hope for property development may come from the major adjustment to banking formulas inaugurated at the end

of last year. Under the new agreement, the banks agreed to put a ceiling on discount rates. This has held short-term interest rates down, but so far has not had the same effect on the longer-term rates. Mortgage rates have remained high and total mortgage credit remains sluggish.

If mortgage and other longer-term interest rates could be brought down, in line with short-term bank lending rates, this could stimulate the private housing market, which is the key to the property industry in the country.

The high per capita income of the Danes is another factor which gives hope that the private housing sector will stage a recovery in the near future. On the other hand, a persistently high rate of unemployment keeps private house starts in check.

The outlook for property in Norway is conditioned, as is so much else in that country, by the prospects for success of the Government's determined measures to counter the effects of its huge overseas borrowings. For the immediate future, property development will have to remain in the background pending longer-term decisions on the next phase of Government policy.

Stimulate

At present, the Government's tight money policy, and reduction in public sector spending and in support to industry, all suggest poor pickings for the property industry for the rest of the year. There is some room for optimism, however: the worst of the country's economic problems seem to be over and next year could bring better prospects.

Property development in Finland lags beneath the same weight of problems home elsewhere in Scandinavia. Inflation has been brought under control, but only at the cost of reducing economic activity to a low level which inevitably has taken its toll of the property industry.

Some help has been given by three economic packages from the Government over the past 12 months which have been aimed at stimulating industry. This has provided some encouragement for industrial property, and helped to counterbalance the weakness of private housing development, which has languished as Finns have suffered a substantial cut in their incomes.

But the Bank of Finland estimates that domestic activity will remain sluggish and industry's own research institute—ETLA—is anticipating a

further drop in industrial investment during the rest of this year.

The property industry's problems are compounded by the tightness of bank credit, which has gone hand in hand with stagnation of investment. Finnish banks have been obliged to bail out near-bankrupt companies, and have then found themselves obliged to commit their funds to the invalids—so blocking genuine would-be borrowers.

As in many other countries, property developers have found that, because they are not large employers of labour, their problems tend to be overlooked by government when credit is hard to find. But, with most banks struggling hard to keep their profits ahead of inflation, it is difficult to see how the situation can be alleviated. Property companies are likely to remain out of sight and out of mind, even if they would like to take up investment funds.

In one respect, however, the authorities have acted in a manner favourable to the property industry. There have been two reductions this year to the basic interest rate—or discount rate—a move which has helped homebuyers, who are generally buying with the help of bank loans.

These moves are not related to monetary policy but reflect official concern about the dire state of personal spending. Unfortunately, there is no indication that the moves in themselves can do much to stimulate householding.

Unfortunately for the property industry there are other pressures on investment funds. The Helsinki Stock Exchange has been active this year and has attracted fund-raising rights operations by eight major companies. It seems likely that the rights issues will prove successful and may encourage other companies to compete for the public's money.

In that case, a big competitor would be the Treasury, which still has a substantial loan requirement to fund this year. Since the Treasury is offering bonds at a favourable rate, it seems unlikely that the banks will be able to attract funds—still less the property operators.

Overall, the position of the property development industry in Scandinavia remains tightly bound up with the economic outlook, not only of each particular country but also of the world economy. The present round of higher world energy prices can be regarded with nothing but foreboding in the Scandinavian countries and the property sector is likely to be as adversely affected as heavy industry.

Terry Byland

FLORIDA
Is a long, thin piece of land hanging off the S.E. corner of the U.S.A.

young, warm, friendly and useful: an ideal place for day & retirement homes. Or making an exciting, fresh life.

more than sunshine, recreation and amusement, Florida is fastest growing state; commercial centre of increasing national importance; a net for money and people from the northern states overseas.

ours abound—and we would lightly discount them—no day God will retire to a what that will do to Estate prices.

now prices are low, communications are good, views are plentiful and the outlook is full of promise.

should take a long look at Florida now.

MES—BUSINESSES
IND—INVESTMENTS
from
\$3,000 to \$50,000,000

Florida
Real Estate
of London

LATYMER COURT,
8 HAMMERSMITH ROAD,
LONDON, W.4, ENGLAND.
Tel: (01) 741 1745 or 1094.

NEW ZEALAND
PROPERTY MANAGEMENT,
CONSULTANCY & SALES
Petcher REAL ESTATE
Petcher House, Private Bag,
Auckland, N.Z.

1 CONDOMINIUM INVESTMENT
furnished, luxury 3-bed studio
apartment for sale in "Vandana"
from builder in Hatter-Nordaz
Sea in the magnificent, sunny
Valley. Purchase price
\$0,000 (ca. £23,192) financing
at 5% interest over 20 years.
Selling and year round sports
management programme. Contact
Miss Cooper,
RECOURTS S.A., Mr. Ken Kade,
Point Street, London, SW1,
225 4782 (No agents, please)



MEANS WORLD-WIDE
IN PROPERTY

1 Undershaft, London, EC3P 3DQ
Telephone: 01 623 4541

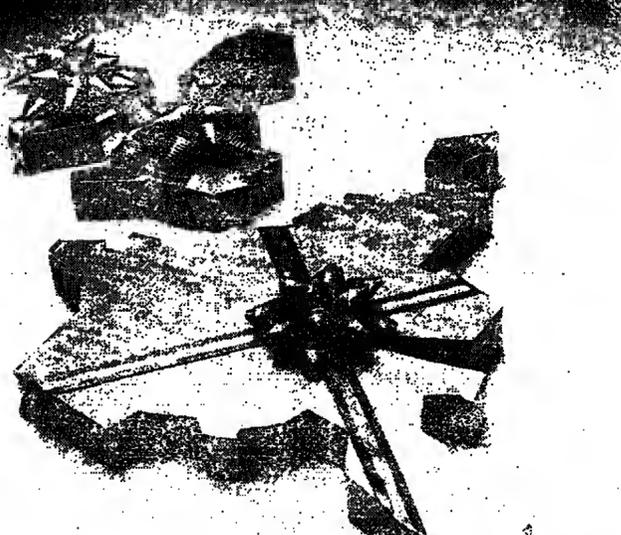
Free Fact Kit on buying
U.S.A. Real Estate

Investing in U.S. property? Get answers to questions about property ownership there.

Fi-Dominion Title Insurance Co. Ltd.,
1 Theobalds Road, Dept. FT, London WC1X 9PF, England,
Subsidiary of Chicago Title Insurance Co., Chicago, Illinois
Please send me the free fact kit on buying U.S.A. real estate, and
in title insurance. (Materials printed in English.)

Name _____
Address _____
City _____
Country _____

The Properties
of St Quintin...



Our gift to FIABCI '79

St Quintin SA
Conseils et Agents Immobiliers
Rue Joseph II, 36-38 1049 Brussels Telephone: 219 5288
LONDON: Virrey House, Queen Street Place, London EC4R 4ES

INTERNATIONAL PROPERTY VI

New controls likely on U.S. land development

THE TRADITIONAL free enterprise market forces upon which the U.S. real estate industry has been based are continuing to be diluted by greater planning restrictions, an inflationary economy and increasing institutional involvements in the property market, coupled with significant changes in methods of raising finance for new developments.

Leading British agents operating in the U.S. see a number of disturbing similarities between the direction the U.S. market is now taking and the climate in which UK property development has been forced to operate over the last decade or so.

Undoubtedly, planning and environmental controls have been a major factor in determining the scope, size and profitability of UK property developers. The incidence of Industrial Development Certificates and Office Development permits, along with other controls, have served to restrict the supply of new developments which in turn has pushed up rents.

By comparison, there have been traditionally very few legislative controls on land development in America but there are clear signs that this is changing as the environmental and planning lobbies increase in strength.

It would, however, be unfair to suggest that any of the current range of planning and building controls are anywhere near as restrictive as those in the UK. But developers are facing more difficulties than before in obtaining planning consents. Increasing demand for Environmental Impact Studies is just one of the obstacles they have to overcome.

These were first introduced by the Federal Government and required agencies such as the Highway Authority to submit a study, prior to construction being started, to determine the

likely impact that major public works—such as dams, highways, bridges and so on—would have on the surrounding area.

Although this legislation was primarily directed towards the Federal Agencies a number of States have since introduced similar regulations for other developers seeking building permits.

Attitude

There is also evidence to suggest that State and metropolitan authorities are taking a much more stringent attitude towards building permits. Richard Ellis, one of the leading British chartered surveyors and estate agents operating in the U.S., reports that there are areas of San Francisco, for example, where new buildings of more than 12 storeys are prohibited.

The U.S. appears to be following the British experience in the U.S., reports that there are systems of raising finance and the growing involvement of institutions like insurance companies and pension funds in new developments.

Historically, much of America's real estate has been funded from borrowings raised from banks and other institutions but in particular, from real estate investment trusts. These suffered particularly badly when the property market slumped after the 1973 oil crisis, and are no longer a major source of finance for developers.

The gearing element of new developments has traditionally been between two thirds and three-quarters, and one of the most striking effects of the changing climate since 1974 has been the general reduction in the level of borrowed money used to fund projects—as institutions have placed greater emphasis on taking equity stakes in new buildings.

Like their British and European counterparts the major U.S. institutions—which had in the past invested mainly in Government stocks and securities—recognised the need for alternative forms of investments, like property, to provide a hedge against inflation.

The logic of investing in an equity stake, with all the risks that brings with it, rather than simply providing non-risk mortgage money with a higher rate of return, had always been alien to the thinking of American investing institutions, but over the past few years they proved to be readily adaptable to the more European method of judging property investment performance, by its capital rather than income growth with rents comparably lower in the U.S. than here.

Inflation has perhaps been the institution's reassessment of property as an investment, but other economic factors are also beginning to affect U.S. thinking about future development.

Land

The U.S. with its vast supply of available building land and less than restrictive planning controls has been the originator of a number of new development concepts like out of town shopping centres and industrial parks. But there are signs that the country's enthusiasm for this and other types of project may be tempered in future.

The automobile is a dominant feature of North American life and developers are now evaluating the effect the current energy crisis—with fears of petrol rationing and spiralling prices—will have on traditional out-of-town shopping centres and industrial parks. The hotel industry in the U.S., which relies heavily on motorway travel is also worried about the effect this will have on their business.

As a result there is more caution about future building programmes and UK agents operating on the other side of the Atlantic can see greater emphasis, at least in the immediate future, being placed on projects in prime locations in town centres.

Additionally, building and finance costs are continuing to rise—with inflation in the U.S. running at annual rate of around 12 per cent in the first quarter of this year. There are fears, too, of a further recession later this year which may also promote a more cautious attitude to future building programmes.

All this indicates that in some areas, at least short term development will fall short of demand and result in a further increase in capital values of existing properties. This would add spice to a property market which UK and European investors already see as important.

The U.S. real estate market has continued to recover from the slump of 1974 and rents rose strongly in 1978. Quilter Hillton Goodison, the UK stock brokers specialising in property, say that rents in some U.S. cities rose by between 15 per cent and 20 per cent last year.

It would appear that prospective tenants fearing further inflationary increases in costs, were queuing up to acquire office space. Quilter says that shortages have emerged in cities such as Washington, San Francisco, Denver and even New York.

Some development has begun in reaction to these shortages but the brokers believe that, in view of the high cost of building and finance, there is unlikely to be any major increase of the more speculative schemes.

Richard Ellis and Jones Lang Wootton, two of the first leading UK agents to operate in the U.S., also see shortages building up.

Mr. Christopher Budden, in charge of the Richard Ellis operations in America, sees particular shortages in Los Angeles, Atlanta and Dallas, while the New York offices of Jones Lang Wootton recently reported that in most major centres the market was the tightest it had been for some time. In New York there was relatively little development and demand was outstripping supply with the result that rents at the beginning of this year's best buildings had, in some cases, risen by as much as 20 per cent on those built in the past few years.

Richard Ellis, in particular, sees a close relationship between the current direction of the U.S. market and the climate that UK and European property developers have had to work in for many years. "The U.S. scenario is about 20 years behind ours," says Mr. Budden.

Mr. Brian Goswell, of Healey and Baker, which recently opened offices in New York, also sees similarities. "The conservation lobby in the U.S. is far-

ing more and more planning controls and restrictions and new development is unlikely to be seen in the future on quite the scale of the early 1970s," he says.

"Restrictions on new development will undoubtedly result in higher rents for the well-chosen prime property resulting in marked growth in values. This is a scenario which is familiar to the British and European institutional investor and is clearly evident in the market."

Agents such as Richard Jones Lang Wootton and Healey and Baker place great store by their international experience in coping with market forces which have only recently begun to emerge in the U.S.

Richard Ellis, which has a number of U.S. Canadian and European clients makes a great play of its consultancy role which it believes gives it an edge over U.S. agents which have largely acted as brokers in the property market. Other UK agents now operating in the U.S. include Knight Frank and Rutley and Debenham Tewson and Chinnock.

Attractions

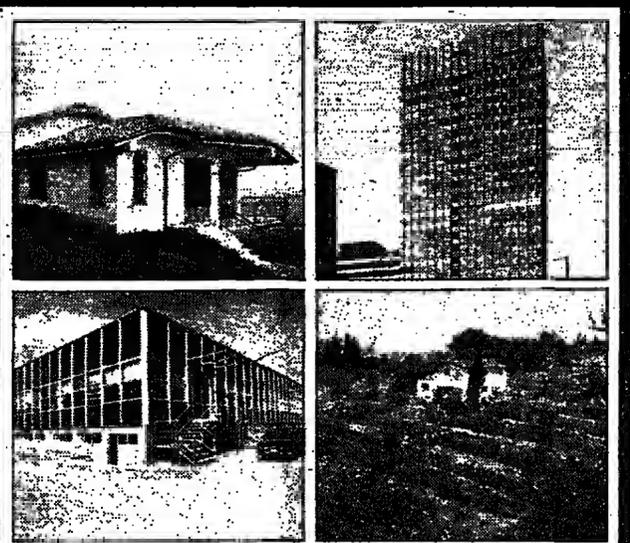
The U.S. market offers great attractions to overseas investors—short-term considerations based on supply shortages apart. The country's economy in the long term has proved stable, there are vast tracts of available development land for future building and planning restrictions although becoming more stringent are not as onerous as elsewhere.

Additionally, American society shows itself more adaptable to changes and people are more readily prepared to move from city to city or from different areas within cities. This makes for a more exciting, if not more competitive property market.

The growing level of overseas institutional money coming into America has disturbed some members of the U.S. protectionist lobby and there is concern that attempts may be made to persuade Congress to introduce legislation aimed at stemming foreign investment into the U.S.

However, Mr. Goswell Healey and Baker does not believe that there will be strong support for this move. He says: "The total size of the U.S. capital markets is equal to just over \$3,500bn, compared with foreign investment in the capital markets of \$30.2bn—of this less than three per cent is direct investment into real estate." However, it would appear that overseas investment into U.S. property is bound to continue to climb for some time yet.

Andrew Taylor



Houses, flats, villas, industrial premises, farm estates

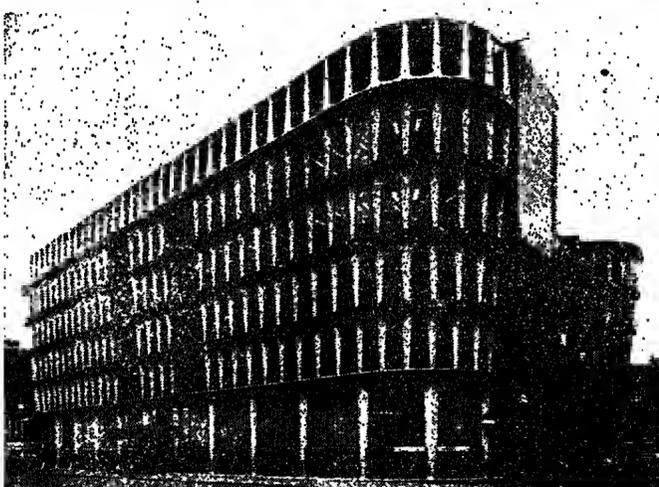
THROUGHOUT ITALY

for a complete real estate service you should apply to

Gabetti
s.a.s. promozione vendite immobiliari

General Management
20122 Milano (Italy) - Corso Venezia, 5 - Tel. 7755

Now also throughout Europe



27,585 sq. ft. of offices to let in the City of London's outstanding Bank Building.

Credit Lyonnais have now retained Dron & Wright to let these modern open plan offices with full air conditioning.

- Comprising of 2 floors of offices and conference rooms.
- Ground floor Banking Hall and offices.
- Executive Dining Room.

- Basement vault/storage.
- Own entrance — Cannon Street.

For full details contact sole agents: **Dron & Wright**
CHARTERED SURVEYORS
15 ARTHUR ST. LONDON EC4R 9BS
TEL: 01-626 9681 TELEX: 8814331

Canadian market more hopeful

THE PROPERTY market in Canada has been hit by a combination of Government controls and Canada's slow economic recovery from the recession. However, there are indications that, in the short term, at least, the real estate market may improve.

This renewed confidence is reflected in both local reports and assessments of the investment potential in the Canadian real estate market prepared in the UK.

In addition, the successful bid by Olympia and York (the private Canadian company, owned by the Reichman brothers) for the English Property Corporation has focused interest on the Canadian market.

In March, the Olympia and York bid of 60p a share finally ensured the company of control over EPC's extensive portfolio in Canada. Olympia and York's interest in EPC stemmed from EPC's half share in its Canadian based Trizec associate—the other half being owned by the rival Brofman brothers through their company Carena Bancorp.

Indication

While control of Trizec is likely to remain with the Carena group of companies, at least in the short term, the acquisition will increase Olympia and York's existing 35m square feet property holding in Canada and North America.

The performance of Trizec itself gives some indication of the state of the Canadian market. The company is the second largest quoted Canadian real estate corporation and recently announced earnings of C\$2.7m (£1.04m), equal to 17 cents a share, in the first quarter, ending January 31, against C\$2.1m (£0.81m), or 16 cents, on fewer shares a year earlier.

Revenues were C\$55m (£21.22m) against C\$48m (£18.53m) and the company said improvement came mainly from a better performance of new income portfolio and from new properties coming on stream.

The company's annual report for the year ending October, 1978, showed total assets of C\$956m (£389m) and a cash flow from operations of C\$27.2m (£11.3m). Announcing the results in March, Mr. Harold Milavsky, president of the company, said he expected results this year to compare favourably with last, despite slow business growth in North America and high interest rates. In common with many other Canadian property companies, Trizec has looked to the U.S. increasingly for its growth. A

quarter of its income production properties are now in the U.S. and further developments, including a partnership with General Motors to build a 21-storey office block, residential and retail complex in Detroit, are under way.

One reason behind this emphasis on the U.S. is what Mr. Milavsky described as the trend towards regionalism and the possibility of "diverse economic restrictions" in Canada.

The company now owns 18.7m square feet of offices, 5.3m square feet of shops and a string of "retirement lodges," caravan parks, hotels and apartments throughout Canada and in Detroit, Los Angeles and Atlanta, Georgia.

It is this extensive and diverse portfolio which has made Trizec such a prize for Olympia and York. In the short term, a complex option to buy shares in Trizec will probably enable the Brofman brothers to retain control of the company though it is likely that in the longer term some shakeout of major shareholdings in Trizec will be necessary.

Within the Canadian real estate industry as a whole, a number of factors have led to a change in structure during the past decade with smaller companies being swallowed up or taken over by larger companies or institutions.

A surfeit of Government controls at levels and restrictive planning policies coupled with the introduction of rent controls and an excess of cash chasing too few prime development sites, has resulted in many developers selling out to institutions.

House-builders, in particular, have felt the effects of these factors and under current tax laws in Canada they need a commercial base to give protection against the cost of carrying land.

As a result, a number of major house-building groups, including, for example, the Bovis Corporation, the Canadian arm of the Bovis Group, have withdrawn entirely from house building and commercial property development.

Tax and, in some cases, planning restrictions have recently been eased giving rise to renewed investment interest in the Canadian market. Canada's economic recovery has been slower than that of many other western industrial nations while fiscal restraint has held back Government spending, idle capacity in industry a relatively large supply of unemployed labour and uncertainties about the economic future have combined to limit consumer and business expenditure.

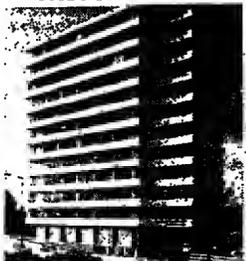
Nevertheless, Canada's emergence from the recession is beginning to be felt leading to some predictions of substantial activity in the property and construction sector in the next couple of years. Already, a gradual return to buying confidence and an increase in overall domestic spending has brought some improvement to the market, particularly in the non-residential sector.

There is now some evidence that expansion plans which had been shelved are being reviewed again although the degree to which the recent revival is finally reflected in actual building activity will depend to some extent on an easing of development restrictions. Nowhere is this more apparent than in the older urban areas. Municipal, Provincial and Federal bodies are beginning to recognise the importance of the choice between downtown redevelopment and suburban growth.

The trend over the past five years has been towards further suburban development coupled

CONTINUED ON NEXT PAGE

NORTHWAY HOUSE
Whetstone, London N20
Modern Offices



approx **11,300** sq.ft.
(may divide)

- * Four Lifts * 21 Car Parking Spaces
- * Central Heating * Commissionaires
- * Prestige Entrance Hall

Goddard & Smith
23 King Street
St. James's London SW1Y 5GZ
Tel: 01-939 7321

WORLEY HOUSE
Finchley, London N12
Air-Conditioned Offices



approx **34,500** sq.ft.
(may divide)

- * Air-Conditioning * Two Lifts
- * 67 Car Parking Spaces * PABX system
- * Marble Entrance Hall * Directors Suite

Henry Davis & Co
Chartered Surveyors
101 New Bond St. London W1Y 9LG
Tel: 01-491 2271

PEPPER ANGLISS & YARWOOD
Chartered Surveyors
6 Carlos Place London W1Y 6LL
Tel: 01-428 6866

The Singer & Friedlander European Property Trust



Kalverstraat 152,
Amsterdam
let to
Wallis Fashion
Group Ltd.

The latest purchase of the Singer & Friedlander European Property Trust which is still continuing to seek prime investments in Europe. Details to Barry C. Fowler FRICS or Stephen Chambers BSc. FRICS.

ALLSOP & CO

21 Soho Square
London W1V 6AX

Telephone 01-437 6977
Telex 261387

Handwritten Arabic text: "مركز الاستثمار"

Big setback in Australia

PES FOR a recovery in Australia's ailing property market suffered a serious setback when two leading finance companies landed in court in the second quarter of 1979.

The first—Associated Securities—collapsed after its major shareholder decided not to pour a proposed rights issue. This increased pressure on the second, Finance Corporation of Australia, which had an asset base of £250m, admitted to a property boom of the early 1970s. Late last year and early this year there were some vague signs suggesting that a recovery from the post-boom slump was gathering momentum.

But the events of the past two months underline the rather delicate state of not only the Australian property market but the country's economy as a whole.

The finance companies had, in the years following the boom been able to carry their

—appeared in danger of sinking beneath the swelling property tide and has been told by the Reserve Bank (Australia's central bank) to merge with a larger Australian bank.

It has been offered subordinated loans totalling \$30m by the other trading banks plus \$5m by the Reserve Bank to ensure its liquidity is not imperilled.

The problems the two financiers are experiencing stem directly from the Australian property boom of the early 1970s. Late last year and early this year there were some vague signs suggesting that a recovery from the post-boom slump was gathering momentum.

But the events of the past two months underline the rather delicate state of not only the Australian property market but the country's economy as a whole.

The finance companies had, in the years following the boom been able to carry their

property problems using income from more profitable loans—particularly leasing—to finance their commitments.

This activity was helped by a drop in interest rates and a small reversal in the inflationary spiral but the cut in overall economic growth necessary to sustain these positive achievements has led to a slowdown in consumer spending, with the consequent cutback in demand for consumer finance.

Profit growth by the big finance companies slowed and, for the smaller firms, survival became the prime consideration.

The problem loans of the early 1970s went mainly to developers intent on acquiring broad acres on the fringe of major cities and holiday areas. Their aim was to have the area re-zoned from rural to residential, put in roads and services, then either sell to builders or to the general public.

With low interest costs and

rising real wages the demand for new housing in a nation of individual home-owners appeared certain to generate big profits for the developers. But, interest rates jumped and demand slumped leaving financiers with large tracts of unwanted land on their hands.

A similar pattern occurred in the other major boom area, city office blocks. The slump left a massive surplus in office space and developers were prepared to offer rent free periods of up to six months, on leases as short as three years plus contributions to partitioning costs in order to fill the space.

According to an office space survey compiled by Jones Lang Wootton, for their February property review, these incentives are starting to disappear. The company also suggests that rental levels, which were static or declined immediately after the boom, are turning up again.

However, it says that "there is unlikely to be a shortage of

space for some years, although there will certainly be a demand for new buildings."

It argues that the "task of the investor contemplating creating new space will be particularly difficult, for he will need to determine accurately where the space will fit into the market."

And there is a significant caution to would-be investors—"Any failure to create the correct type of space will mean direct competition with the second-hand market and thus rental levels with which no building constructed at today's costs could show a profit."

The commercial/industrial sector was, except for one or two special situations, following a similar pattern to office blocks up until mid-1978. Yields tended to be high as firms contracted and consolidated their activities in order to improve profit margins.

There was little new building but the availability of refurbished space vacated during the contraction period ensured that yields remained reasonably high. The pace of consolidation is slowing down and yields have started to fall.

In Perth, the capital of Western Australia, for example, the growing demand from manufacturers interested in winning a slice of the action that will flow from the development of the gas reserves off the north Western Australian coast is forcing yields down, particularly on sale and lease-back arrangements.

On the other side of the continent, at Melbourne, the capital of Victoria and the country's financial hub—there is growing interest in specialist deals. Most sort after are purpose-built properties for one tenant. The package is put together with the help of an estate agent and sold to an institution or pension fund which then leases the site to the tenant.

One depressing note is that shopping complexes and retail store developments—the one sector that stood out against the trend in the post slump period—is starting to look a little soft.

The problem here is that population growth in the major cities has slowed down considerably (except in a few fringe centres). Developers have turned their attention towards areas where facilities need modernising or are building new centres in competition with complexes built in the late 1960s and early 1970s.

The upshot of the exercise is that yields on both new and existing centres are dropping.

Australia, with its huge landmass and small population, has a property market which is at best patchy. In the rare booms speculators reap considerable gains, but investors are often left with stock bought at boom prices to be sold in the depressed post-boom market.

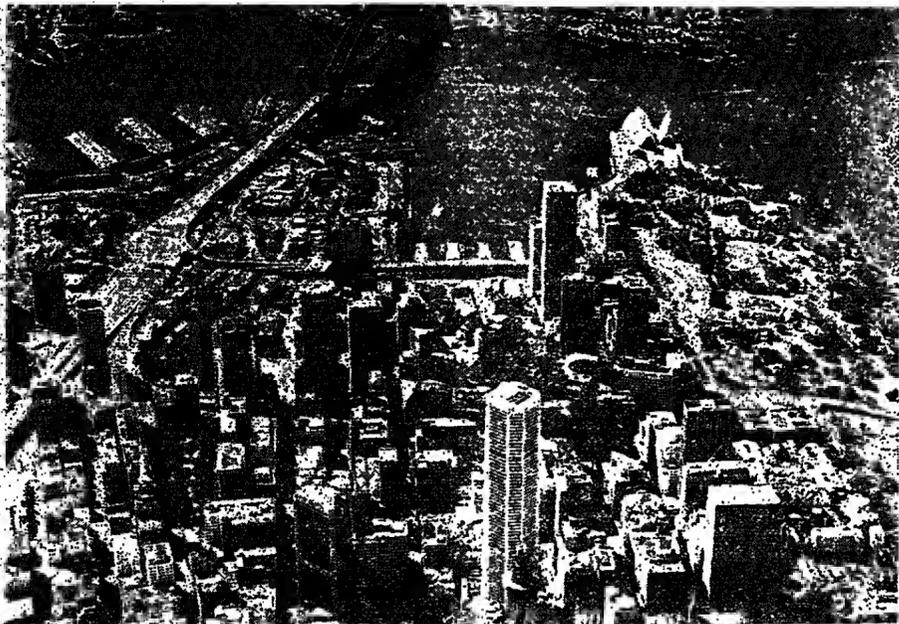
It has its own breed of financial institutions and pension funds which are constantly seeking good-quality property for their own portfolios. Moving the necessary funds into the country can be a problem, particularly if the monetary authorities decide that the domestic money supply is growing rather too fast.

The other major factor in the Australian property market is the role of the public sector. With its system of shared power the country has a large federal bureaucracy, separate state civil servants and a variety of local government administrations. A cutback in expenditure at the federal level (which is still in force) does not always restrict new development in the various state capitals.

In Perth, for example, a number of new office projects are underway which will be occupied almost entirely by State or Commonwealth departments. As a result, these new buildings will add little or nothing to the available stock of new accommodation. But they could have a considerable effect on the second hand market as the departments concerned are currently scattered through existing buildings.

The public sector expenditure cutback is not being offset by any significant upsurge in private investment, although there is some growth in demand from the tertiary sector. Overall, the prospects for the Australian property market are not very promising in the near term, but looking beyond the next one to two years, there are some areas of interest and potential.

Terry Ogg



The central business district of Sydney—events of the past two months underline the rather delicate state of not only the property market but Australia's economy as a whole

Canadian market

CONTINUED FROM PREVIOUS PAGE

In the building of new towns, this has placed the viability of some downtown areas, which were lacking positive planning, in some danger.

If the industry does emerge in the 1980s with a strong upturn trend it will, however, aim some of the effects of changes in customer tastes which have become apparent in the past decade.

Restrictions

While the industry was able in many years to lease new buildings quickly at reasonable rates, business and other uncertainties have led to customers adopting a more cautious approach to leasing. This in turn has led to a decreased level of market absorption, although there are signs that this situation is again improving.

In addition, a preference for ownership rather than tenancy for purpose-built property rather than speculative property led developers to restrict building activity to those projects which are prelet or in a long known market.

This trend has led developers to create buildings which combine a number of separate elements which together ensure that the building will be economically successful.

The target set by the developer is therefore increasingly to construct a building which will be an appreciating asset, efficiently exploiting the site, the space, the present and anticipated market demands and the available building, financial and technical resources.

A sector-by-sector analysis of the Canadian market was provided by Richard Ellis, the chartered surveyors, in an international property report for 1978.

The company described the Toronto office market in 1977 as "a lacklustre year" with vacant space in the metropolitan area dropping but weak demand in the downtown and midtown areas.

However, the first phase of the College Park renovation of the former Eaton's store in downtown Toronto was completed earlier this month and all 315,000 square feet of office

space has been let indicating perhaps an upturn in demand.

Elsewhere in the office sector, demand has outpaced supply in Alberta and is not expected to catch up until later this year or next year. The market for shops appears to be at a turning point following the rapid development of new shopping centres in the late 60s and early 1970s. While there has been a four-year lull in activity in this sector, new activity is expected to develop.

Aside from minimal regional centre construction, this new activity is expected to include the expansion of existing centres, community centres in new towns, renovating and refurbishing existing centres and new downtown developments.

Optimism

The demand for new homes will probably depend largely on the growth in population. This expected growth is likely to be patchy concentrating demand for new residential property in areas such as Ontario, Alberta, Ottawa and Quebec.

Across all three sectors there

are therefore some positive growth prospects and opportunities in the real estate market. Factors such as the growth in population and pressure for downtown renewal could perhaps fuel cautious optimism.

This should, however, be tempered with a note of caution over the future of the Canadian economy as a whole. One factor which could upset a growth trend in the real estate market in the longer term is the size of the labour force.

Canada's labour force is growing at about 300,000 a year and while an increase in the level of unemployment in the 1980s might motivate investment in practice a high level of unemployment could be an inhibiting factor.

The prospects for the Canadian property market are therefore somewhat brighter in the immediate future than they are perhaps in the longer term. In the longer term the performance of the industry may well depend on the economy as a whole and the degree to which development restrictions continue to be lifted.

Paul Taylor

DENMARK — COPENHAGEN
For sale or for rent
Cado Center at Rådhuspladsen

Space: 6,500 square metres total. Used as offices and showrooms. Value: per April 1st, 1977 DCRs 25,000,000.
Price: Letting — DCRs 450 per square metre per year.
Buying — DCRs 22,000,000.
(DCRs 10 million in loan on fair terms transferable)

The Circle House 25 km north of Copenhagen centre in an attractive dwelling-house region.

Space: 18,000 square metres total. Used as offices, exhibitions, for courses, wholesaler and retailers or for light production. Value: DCRs 52,000,000.
Price: Letting — DCRs 300 per square metre per year.
Buying — DCRs 28,000,000.
(DCRs 10 million in loan on fair terms transferable)

Both properties have high standard and are well equipped.

Further information: Mr. Hardy Walther, Solicitor, E.A. (Econ.), Cado Center 6, H.C. Jacobsens Boulevard, DK-1658 Copenhagen V, Denmark. Tel: +45 11 11 22.
Estate Agents co-operative

AL KHOBAR SAUDI ARABIA

New Headquarters building of 215,000 sq. ft. TO LET

'One of the finest buildings available in the Middle East.'

- * Prestige air-conditioned offices to let.
- * Individual floors of 14,000 sq. ft., or smaller units available.
- * Quality, comfort and maintenance to the highest European standards.
- * Close to the Dhahran airport

White Druce & Brown CHARTERED SURVEYORS

S. ST HELEN'S PLACE, LONDON EC3A 6AU
01-638 5181-4
TELEX 299171

Chase Investors Management Corporation

- * Manage large U.S. real estate investment programs for international clients.
- * Real estate properties under investment management total approximately \$500,000,000.
- * Nationwide coverage in a broad range of property types including office buildings, shopping centers and industrial complexes.
- * Expertise in property analysis, acquisition and management.
- * Account minimum—\$25,000,000.

For further information contact:
Joseph J. Martino, V.P.,
1211 Avenue of the Americas,
New York, N.Y. 10036.
Telephone: 212 730-3359.
Telex: I.T.T. 426042.

CHASE

Better property management can mean better company results

The guidance and know-how of professional property people like Fuller Peiser can make a substantial difference to a company's results at the end of the year.

For the last ninety-odd years, our daily work has been to advise industrial and commercial firms on the use and management of their property portfolios.

Bricks, mortar and land are often the most underused assets of all.

By developing a non-productive corner of a site; by negotiating the best possible leasing and rental terms; by acquiring and disposing of property wisely and at the right time; by carrying out regular

asset and plant and machinery valuations; by building your next factory or office to achieve maximum value at minimum cost; in these and many other ways, solid financial benefits can be won.

Skillful negotiation of rateable values following the 1982 Revaluation could show massive savings. Now is the time to prepare.

An up-to-date insurance valuation could even save your business should fire strike.

The services offered by Fuller Peiser cover all these important functions in a highly professional and effective way. Full details are available from our Head Office at the address below.

FULLER PEISER
44-46 Holborn Circus
London EC1N 2HL
Tel: 01-363 6851
Telex: 25916

Professional property advisors to industry and commerce.

INTERNATIONAL PROPERTY VIII

Far Eastern markets hold up well

ANY REVIEW of the property markets of the Far East naturally draws comparisons between Singapore and Hong Kong, despite the fact that the two markets are incomparable. On one hand there is a small rock off the China coast, with no natural resources and virtually no water supply or arable land. Only a fraction of its 400 square miles is habitable. This rock—Hong Kong—has a population of some 5m people, all apparently there simply to generate profits. In stark contrast, Singapore, an island of just 225 sq. miles, has been struggling since independence in 1965 to show the outside world that the new sovereign city state was a viable proposition and worthy of recognition.

Unlike Hong Kong, Singapore's external political relationships are complicated. It is a leading member of ASEAN (Association of South-East Asian Nations), along with Malaysia, Indonesia, Thailand and the Philippines, and, since the 1976 Bali meeting of three heads of government of the five member-countries, there has been a greater political commitment to economic co-operation. While Hong Kong revels and indeed thrives, in its free enterprise economy, Singapore remains under the control of a government of Lee Kuan Yew's People's Action Party which has been completely dominant. Its pragmatic approach, of the end justifying the means, has raised living standards of the mass of the 2.4m population. But the individual has lost some freedom for the good of the community. The Singapore planning authorities take a very firm line on development within the central area of the city. There is a heavy tax on cars entering the city during the rush hour and, for this reason, firms are being forced to the suburbs and city fringes. But this does not mean that office and shopping development has ceased in the central area—far from it. There are many schemes under way and more in the planning and design stage. One of the biggest of the new

crop of projects is the vast Raffles City, a 130m "city within a city" scheme, due for completion in 1984. Raffles City will cover some 400,000 sq metres and will be dominated by a 66-storey hotel, towering over a 42-storey office block. There will also be another 31-storey hotel. The taller of the two hotels, at 300 metres, will be the highest building in Singapore. The complex also includes a seven-storey podium block containing a convention hall, concert hall and 30,000 sq metres of office space.

This provision of hotels is to meet the growing tourist industry in Singapore which has been growing at a dramatic rate in the past few years. Great importance has been attached by the Government to the building of a convention centre capable of attracting even further business to Singapore.

On the industrial front, developments include the vast Jurong Estate, which has been created from a swamp area. The concept is enormous with over 7,000 acres of development, 600 factories, bulk cargo handling facilities and a vast new housing programme which will give the Jurong area a population of more than 500,000 by 1985. The largest urban concentration is at the southern part of the city itself, spreading from the harbour. New developments have been built on the road to Changi, on the eastern corner of the island. The area to the north of Singapore has also been extensively developed in recent years. But the heart of the island has been designated a water catchment area and is protected from development and pollution. Despite the fact that the island has an annual rainfall of 98 inches, water still has to be imported and this is expected to continue for many years to come.

When looking at the Hong Kong property market it is necessary to bear in mind that

in the central business district of the island there is virtually only one landlord—Hong Kong Land.

Founded in 1889, it is the oldest property company in Hong Kong. It was initiated under the aegis of Jardine Matheson and the links remain very close today—for example, the chairman of Jardine is, by tradition, also chairman of Hong Kong Land. In the past six months, the market has peaked and moved sideways when all the signs were that some downward adjustment in values should have taken place.

Explain

According to the Hong Kong office of agents Jones Lang Wootton, it is possible to explain the increases in property values by reference to the easy lending policies by the banks—the so-called "cheap money"—and an impressive growth in the Crown Colony's gross domestic product, for the two years to December, 1978. In addition, relationships with China have never been better.

There has been a great deal of talk about the over-beated state of the property market. Philip Haddon-Cave, financial secretary, in his budget statement translated this into action which included bringing pressure to bear on the major lending banks to restrict credit. The background to this was that local bank lending to the property sector had reached historically high levels in 1978 with advances up 43 per cent over the previous year and those for building and construction by 70 per cent.

JLW state: "Although the signs are self-evident for a much reduced level of activity for the market there is, of course, a high degree of built-in momentum. It will probably be some 12 months before there is any significant addition to the supply of office space,

although there are a number of schemes in the pipeline." But it should be remembered that by UK standards, property development is still quite cautiously financed and, for the first time in several years, funding conditions are turning in favour of the lender, enabling banks to become more choosy.

There is still a great deal of funding to be done in the form of construction finance and the big questions will then be whether effective demand exists for all the property to be completed. The first quarter of 1979 was not good for Hong Kong real estate market apart from the weakening currency during the period, interest rates have been climbing, from 4.75 per cent to 10.5 per cent. There are also serious worries about the widening trade deficit, soaring inflation and excessive domestic consumption.

But despite all these economic difficulties the property markets have held up remarkably well. There is very little office space to be rented in the central business district and rents have been rising. Those companies which have a rent review in Hong Kong this year will be unable to threaten their landlord that they will move, a traditional ploy used in the central area, where there are dozens of well-known and prime buildings to choose from; it will be a question of staying put and paying up.

But this situation will not last very long. ILW states that some 7m sq ft of space could be built in the early 1980s and there could be another period of over-supply.

Japan's capital, Tokyo, is due to play host to the world's property industry in June, and few delegates to the FIABCI conference will know anything about development there. The language barrier has prevented all but the most enterprising and determined from attempting to carry out developments

there. And with land prices escalating, it is difficult to see many but local developers can make the sums add up. Viable schemes in Japan, for example, generally rose by an average 5.1 per cent last year more than double the 1977 increase, according to National Land Agency. The cost of housing land in Tokyo, Osaka and Nagasaki is from a very high level. Each year the tax authority calculate the notional value of the land alongside the shopping thoroughfares and Tokyo's Shinku area the land is valued at a staggering ¥2.1 per sq. metre.

The official target for inflation in Japan is 4.9 per cent, imported raw materials rising fast and construction costs are expected to rise significantly this year as a result of inflation, wage rises and the cost of imported materials.

Most UK investors look towards the Far East with a view to settling for Hong Kong, profit motive is so inbuilt in Crown Colony's make up that it will take a great deal of political and economic strife to free the enterprise spirit. And although there is evidence that the domestic economy is over-heating, with excess credit demand and a supply growth, labour short widening trade deficit weakening currency.

The question is not so much when the Hong Kong boom ends, but how—with a controlled deflation or with a controlled inflation. Most of those close to island's affairs believe that former is more likely, but the meantime the almost universal view is that property developers and investors can operate successfully.

Rory Fergus

Property...
Investment Agency Management Valuation Development



...Internationally

Gooch Wagstaff
Chartered Surveyors
27/12 King Street London EC2V 3ET
Telephone: 01-252 5757 Telex: 2525

Gooch Wagstaff International
Chartered Surveyors International Property Consultants
The Netherlands
Koningstraat 107-105 Amsterdam
Tel: 73 22 72 Telex: 15733
Germany
Steinbeckerstr. 41 6000 Frankfurt am Main 70
Tel: 0320 92 Telex: 414362

TRAFFORD PARK Manchester
68,722 sq.ft., Modern industrial/warehouse accommodation.

- 1.8 acres of undeveloped land
- Within 1 mile of M63 motorway
- 10 miles from Manchester international airport
- Clearspan working areas
- Modern offices (4,000 sq.ft.)
- Available immediately

Edward Rushton Son & Kenyon
Kings Court, Exchange Street, Manchester M2 3AX.
Tel: 061-834 1814 also at London and Overseas.

"Can you see yourself in Friday's F.T.?"

PARIS VIII
17/19, avenue Montaigne
to rent
in a prestigious building
ALMA-MARCEAU Metro and bus stops
780 sq.m.
Air Conditioned Office
Possibility 33 rooms including conference room

MAIDENHEAD BERKS.
(ADJOINING STATION)
PROPOSED NEW PRESTIGE OFFICE DEVELOPMENT
24,500 SQUARE FEET
* AIR CONDITIONING
* 74 CAR PARKING SPACES
* 14 MILES FROM M4
TO LET

MODERN 1000 SQ. FT. WAREHOUSE
Adjacent to M42
FARM - U.S.A.
Opportunity to joint venture with experienced managers in choice 1700 acre farm located in California's fertile San Joaquin Valley.
For information please reply to:
Arthur T. McIntosh III
DREVER, McINTOSH & CO., INC.
110 Sutter Street, Suite 905
San Francisco, California 94104

RUNCORN CHESTER TOWN AUSTRALIA
CANAL ESTATE DEVELOPMENT
Close to capital city
Total 1000 acres, 2700 residential blocks of which 1,100 are deep water outlet to the Port of Australia

Hull Advance Factories
Wide choice of advance factories available NOW, 1,500 sq. ft. to 15,000 sq. ft. Development Area Grants available.
Contact Ian R. Holden, B.Sc. (Econ) MBIM, Director of Industrial Development, Kingston upon Hull City Council 77 Lowgate, Hull. Tel: (0482) 222625.

Increasing confidence as Spain prospers

THE SPANISH property industry shows every sign of sharing in the general rejuvenation in confidence which has been apparent throughout the business sector since the success in the March elections of Union de Centro Democratico. The improvement can be seen in the demand for good-class office accommodation in Madrid and the other major cities, and is also shown in the steady increase in building and development for the tourist industry. Spain is image as a cheap holiday area, attracting only the speculative and low-quality developer, has long been put to rest. A number of luxurious villa and apartment developments have appeared along the Costa Blanca between Alicante and Valencia, and the Balearic Islands are again becoming an active area.

The high quality of most recent developments shows the trend of the country's property development market, with developments clearly aimed at the prosperous second home buyer as distinct from the more casual summer visitor.

The trend of the current development phase is also indicated by the price range at the latest sites. The Alicante coastal developments are offering two-bedroom apartments on the seaford at £30,000 and similar apartments further back at £21,000. Developers in the tourist belt are supremely confident of finding buyers, and not dismayed by any prospects of renewed world inflation or recession. The buyers are from France, Germany and Britain, as well as from Spain itself, where some of the tourist fortunes made in the 1960s are now being reinvested at home rather than abroad.

British buyers, who were very active in Spain at the beginning of last year when the investment dollar premium fell sharply, appear to be coming back again after a check in business when the premium rates reached about 50 per cent last August.

Capital exports allowances of £40,000 for British emigrants and £40,000 for those from other EEC countries, make Spain a very attractive proposition for those seeking a retirement home in the sun. The regulations make Spain a far more viable choice than the French or Italian Riviera. It is against this background that the signs of strain in the more traditional areas of tourist property development should be measured. There are still vacant apartments and unfinished hotels to be seen on

the coast, and there is a general unwillingness to invest in such projects. Although 1978 was a record year for tourism, the property developers clearly have decided that the hotel and holiday apartment sector of the industry has gone too far for the present.

Investment capital is no longer offered readily for projects which lack attention to proper road planning, water supplies, and anti-pollution measures. And industrial pollution, particularly in the Barcelona area, is now a significantly adverse factor. Pollution of the beaches is also taken more seriously than a few years ago, and has discouraged some developers.

From the industry's point of view, the trend to higher grade property is desirable because it indicates access to a higher and more responsible level of investment, with less bad publicity from unfinished hotels and erratic plumbing. It also lays the foundation for a more soundly based return on capital over the next couple of decades, even if the popular tourist market does reach saturation level. Au further spur is expected to result from the entry into the country of the major foreign banks which, until now, have operated through representative offices. The list of world banks interested in the Spanish market is impressive, and reflects international confidence in the country's prospects.

Weakness

Of the foreign investment in Spain over the past year, a substantial proportion has gone into property development and the expansion of foreign banking facilities will be important in helping finance the upgrading of Spain's property development.

One of the principal weaknesses of the country's finance network has been the medium-term market. Property development traditionally draws its funds from the medium-term market and developers hope to see medium-term credits become cheaper as well as more easily available.

Investment in industrial property also shows a healthy upturn, both in numerical terms and in the use of funds. Last year saw substantial development in the chemical, mining and general commercial sectors. Most of this development, which was in the form of factories and office sites, is made directly by companies for their own use rather than for marketing. Foreign companies—whose investments in the opening

months of this year were of such a scale that a Government decree was issued which obliged investors to deposit with the Central Bank 25 per cent of credits obtained abroad—invested heavily in the industrial property area as well as in the more conventional areas such as tourism.

The ten months to October last year saw 50 per cent more foreign investment in the engineering industry than in tourism. Not all this was put directly into property but the proportions indicate the trend to industrial property development.

As Spain gears up for EEC entry, investment in the industrial property sector, both by foreigners and by local investors, is likely to rise sharply. Several sources commented that this could result in pressure on

property investment which, until now, have concentrated on tourism. The higher level of opportunity is expected to stimulate the attention of international sources of credit which, so have been cautious in their of the Spanish property market.

The rate of expansion heavy industrial property investment indicates that it will be a substantial new office development to be good in the mid-term future. And, since office block construction lends itself to international market more than either tourist or industrial development, many developers are expecting significant to continue in this field in the when Spain, it is hoped, will be catching up with the rest of EEC.

Terry Byll

If you wish to buy—sell—rent or have a REAL ESTATE managed in the **PRINCIPALITY OF MONACO** Write to: **AGEDI** 26 bis Bd. Princess Charlotte, Monte-Carlo Principality of Monaco Tel: (93) 50 66 00 - Telex: 479 417 MC Documentation sent free on request

FRANCE
If you are dreaming of a house in France, on the Cote d'Azur, in Provence, the Languedoc-Roussillon area or in Corsica, Read "MEDITERRANEE IMMOBILIERE" You will find in this magazine the house, flat or plot of land that you have been looking for, for your holidays or as a safe investment. You will receive the latest edit free of charge simply by writing to: **MEDITERRANEE IMMOBILIERE** 8, rue de Richelieu, 75001 - PARIS - FRANCE

Bovis
Bovis International Limited
Worldwide Construction
Telephone: 01-995 8961 Telex: 895 2107 Bovis

For details about advertising please contact Cliff Caunter at the Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY. Tel: 01-248 8000 Ext 234. Telex: 885033.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

John Smith

A crutch for shipyards

BY IAN HARGREAVES in London and GILES MERRITT in Brussels

SHIPBUILDING files of the Brussels Industry Commission were thick with ideas for restructuring, rationalising and regenerating the EEC's shipyards two years ago. The expectation was that Viscount Etienne Davignon, Industry Commissioner, would follow up his plan for steel with a shipbuilding plan coolly and logically designed to strip out 35 per cent of the Community's shipyard capacity and preserve the rest for better times ahead with the aid of centrally administered subsidies.

By last summer, the grand plan was in ruins, destroyed by the unwillingness of the major shipbuilding countries to surrender political autonomy in dealing with the painful social problems of shipyard contraction. Rather than Davignon's shared misery, involving 75,000 lost jobs, they preferred to go it alone.

Searching for an alternative approach last autumn, Viscount Davignon and his officials attached on to an idea which radically frees the grounds during shipbuilding recessions: a plan to pay shipbuilders to scrap extra ships in return for their agreeing to order new vessels at discounted prices. It was last tried in a big way in the 1930s.

Tomorrow senior Government officials from the Nine meet to decide whether the fifth version of the plan is suitable for consideration by ministers. The European Commission hopes that six months of intensive discussion with shipbuilders and shipbuilders has urged the plan of impracticalities and that it will be in force by January, helping to save the remains of the industry.

If it succeeds, it will generate an extra 1m compensated gross registered tons (a measure of ships' tonnage adjusted to reflect labour content of building) year at a time when annual EEC ship output is expected to

sink to not much more than 2m cgrt, compared with an average output of 4.5m cgrt in 1973 to 1976.

Success would be a major coup for EEC industrial interventionism and could provide the first solid plank in an emerging Community maritime policy. If it fails, the Commission will presumably return to the role of monitoring and cajoling about the level and purposefulness of national shipbuilding subsidies which has characterised its approach in the past year.

The latest estimates for the cost of the scrap and build plan is \$191m a year, which would be in addition to the estimated \$400m-\$500m which member Governments are already pouring each year into their stricken shipyards. The Commission's admission that the new scheme will work, although some officials concede that scrapping ships to create demand for new shipping smacks of the absurd.

Two kinds of expenditure are envisaged: \$85m will be spent on incentives to demolish ships, compensating owners at least in part for the gap between scrap value and ordinary resale value. In addition, for every 2 cgrt of shipping an EEC owner agrees to scrap, he will be entitled to a 7 per cent discount on the cost of 1 cgrt of a new vessel built in an EEC yard. This 7 per cent could be in addition to other national subsidies. In Britain an owner using both scrap and build and the EEC Shipbuilding Intervention Fund could receive a discount of 37 per cent per vessel. The 7 per cent premium for new orders is costed at \$105m a year.

The rules and rates are finely calculated to try to ensure that antiquated vessels will not qualify. For example, oil tankers up to 60,000 dwt and bulk carriers of all kinds will be ineligible if aged over 10 years. For tankers over 120,000 dwt the cut-off is 13 years and for

| MAIN EEC SHIPBUILDING COUNTRIES | | | |
|---------------------------------|-------------------------------------|--|----------------------------|
| | Output in 1978 (gross reg. tons) | Orderbook at end 1978 (gross reg. tons) | Share of world orderbook % |
| Denmark | 345,000 | 482,000 | 1.7 |
| UK | 1,133,000 | 1,236,000 | 4.4 |
| France | 399,000 | 1,472,000 | 5.3 |
| W. Germany | 838,000 | 452,000 | 2.9 |
| Italy | 352,000 | 662,000 | 2.4 |
| Netherlands | 314,000 | 249,000 | 1.2 |
| Total | 3,381,000 | 4,653,000 | 17.9 |

Source: Lloyd's Register of Shipping

most general cargo vessels 24 years.

Ships already laid up for 12 months will not qualify for compensation, but those already sold for scrapping or those with no current classification certificate. Rates of scrap premium will range from \$25 to \$80 per ton of steel, which is somewhat below the current market rate for ship steel scrap.

The Commission is particularly keen to avoid fraud, which has been a problem with other aid schemes in a structurally complex and international industry, and has budgeted \$1m to police the scheme.

One of the principal strengths of Scrap and Build, especially so far as the shipyards are concerned, is that shipbuilders have co-operated in devising it, although the Confederation des associations des armateurs de la Communauté (CAACE), the European shipowners' association, is still arguing that the new-build premium must be raised to 20 per cent if owners are to be attracted to use the scheme.

At present, however, the scheme seems to have only moderate chances of acceptance. Denmark, whose shipbuilding industry has much the same ownership as its shipping industry, doubled its share of world orders last year and is

not keen to help finance a disturbance to the existing pattern. The Danish Government is also currently resisting bailing out the Burmeister and Wain shipyard in Copenhagen, which seems certain to result in closure and the loss of 1,200 jobs.

Italy is probably the strongest advocate, as it already has a limited Scrap and Build scheme, whose cost might be transferred to the EEC scheme. It is proposed to fund the latter directly from the Community budget. Italy's scheme has produced an almost 1:1 scrap-build ratio and has resulted in 426,000 grt of ships being scrapped.

Under the Labour Government, Britain moved to a keen willingness to explore the potential of Scrap and Build, which naturally has strong support from the shipbuilding trade unions. It is not known whether the Conservative Government will support the scheme. One obvious option would be to back the European plan while scaling down domestic subventions.

The problem here is that without Intervention Fund aid, British shipyards are still uncompetitive with others in the Community in the case of many types of vessel, and Britain might therefore find itself financing the Community Scrap

and Build scheme without its yards reaping the benefit. There is some support in the Commission for the idea of telling shipowners using the scheme that their new vessel must be built in a certain country. Shipowners can be expected resolutely to resist this.

The rest of the Community is more or less sitting on the fence, but it could be that the very lukewarmness of feelings gives the plan its best chance of being allowed to begin. "They can always comfort themselves with the knowledge that it won't win the support of the owners anyway," one official said.

Quite what good Scrap and Build would do it is hard to determine. Although many loopholes have been plugged, it remains fundamentally difficult if not impossible to limit access to any scheme in shipping, given that there is wide freedom for shipowners outside Europe to transfer vessels and even company registration into the EEC if they so choose. The shipyards would not mind this, but the shipowners would.

There is also the impossibility of gauging whether the ships broken up will be those that the shipping industry wants to go. Clearly an individual owner assessing the financial attractions of the scheme in the case of any particular ship does not take the world industry's need into consideration in the transaction.

One point EEC shipowners have won, after a fight, is freedom under the plan to buy foreign flag ships and to claim demolition premium for them. There are simply not enough EEC-flag ships in the required category to make the scheme work. Limiting it to ships registered in the EEC, under the scrap two, build one formula would result in a further depletion of the EEC fleet. It is already shrinking fast under the pressure of the recession.

It is also accepted, after a



smaller fight, that there is no question of insisting that the ships be scrapped in Europe. The EEC has an insignificant amount of scrapping capacity (the UK leads, with only 1 per cent of world capacity), so most of the scrapping business will probably go to the Far East, where Taiwan has the dirty and dangerous job of dismantling over half the ships demolished every year. The effects of the scheme beyond shipbuilding and shipping will be imperceptible, as ship scrap accounts for only 1 per cent of world scrap trade. These, however, are details. They are not, in the end, likely greatly to influence the fate of Europe's shipbuilding industry. Over 40,000 jobs have already been lost in EEC shipyards since 1975, in spite of heavy subsidies from almost every member Government. What ever happens in the next two years, the number of yards closed and of redundancies is bound to gather pace. The table shows that at the end of last year of the Community's six major shipbuilders, only France had what could be regarded as a comfortable order book, and that three had only about one year's work or less in hand. The position has become worse since then.

Apart from Scrap and Build, there is very little that can be even attempted on an international level. The working party on shipbuilding of the Organisation for Economic Co-operation and Development is likely later this month to agree to a slight easing of credit guidelines for ship exports, but there is little likelihood that it will significantly improve the competitiveness of OECD yards against the terms being offered by countries like Brazil and Poland.

The other major theme of OECD discussions in the last two years—how to get the co-operation of the Japanese, who usually have half the world ship export market—has been over-

within the context of a western European share of well over one-third.

Last year, for the first time, shipyards outside West Europe and Japan took over 30 per cent of new orders. There is no sign, in spite of financial problems in some cases, that the shipbuilding industries of South Korea, Brazil, Poland and Taiwan are significantly going to let up their pace of growth.

Scrap and Build is not capable of seriously deflecting these world trends—indeed it would be dangerous for European shipbuilders to act on this belief. Only improved efficiency and concentration on the more complex product lines will provide longer term solutions for the Europeans.

In the shorter term, everyone would be helped by an earlier than forecast improvement in the market and there is a feeling in some shipping quarters, that just such an upturn may have begun. If so, the EEC's Scrap and Build plan could have one thing in common with the British scheme in the 1930s. No sooner was it launched than a pick-up in trade made it irrelevant.

Costs of VAT collecting

From Mr. D. Lyburn.

Sir,—I fear that EEC commitments along with present proposals for the new VAT in the AT exemption limit to £100,000 or even to £250,000 as suggested by Mr. Stenner (June 1).

At lunch recently my table companion eventually provided evidence that he was an HM Customs and Excise Inspector employed collecting VAT. The job of the discussion was a frustration that he was allowed to replace three staff earning on the average £1,000 per annum but who were "bringing in" on the average £12,500 per annum. The conversation came to an abrupt halt when I suggested that such a cost of index-linked pensions might well absorb the £7,500 net income in "collection." Alas to shame I overlooked the cost of the country of the unpaid tax collectors.

W. Williams-Jones,
Cumbriodden Avenue,
Edinburgh.

Interest-free cash

From Mr. J. Williams-Jones.

Sir,—Your correspondent's unnecessary adversity experienced by private enterprise has been occasioned by the art of irresponsibility on the part of the authorities. This many however, can tolerate adversity but, as net receivers of VAT, cannot countenance a mania in which HM Customs and Excise has helped it if to a considerable amount, our cash on an interest-free basis.

W. Williams-Jones,
111 (Building and Surveying Services), Marine House,
South Road, Waterloo,
Perpoo.

Transport policies

From the Chairman, the Conservation Society.

Sir,—The decision of Mr. Norman Fowler, Minister of Transport, to abandon for the time being the proposal to transfer car tax to petrol does not do well for the future of energy policies in this country. I would seem that the Government speaks with two voices. On the one hand, the secretary of State for Energy gets a reduction in petrol consumption on us, the Minister of Transport will not do a simple and obvious thing that would help to ensure that this happens.

We believe that it is absolutely crucial that transport policy over the next few years could take on board the obvious facts of scarce and expensive energy, particularly that our Government should accept that present difficulties will get worse; that Britain will be protected by North Sea oil, and that unless demand is reduced, we will eventually be in a position comparable to one now being seen in California.

In the short term, we would urge for hefty increases in petrol tax to reduce demand, a huge on public transport fares encourage a transfer from private cars to public transport, using out of all relief on company cars and abandonment of any goods which would make it good transport more com-

Letters to the Editor

petitive than rail, for example an increase in heavy lorry size.

In the long term we call for a crash programme of rail electrification, approval of the rail-only Channel Tunnel, abandonment of the quite ludicrous proposal to build a third London Airport in the present circumstances, and a cut back of the roads programme since new roads can only lead to greater petrol consumption through increased use.

Dr. L. S. Tait,
The Conservation Society,
16, Wethergreen Road,
Sheffield, Yorkshire.

Distribution and petrol

From Mr. H. Cole.

Sir,—Mr. McKinnon (May 31) appears to overlook one important element in the changing equation between the availability and cost of fuel and the location of shops. That is the frequency of trips. The importance to the consumer of minimising the costs of other items, particularly food, will increase. It is clear from Mr. McLaurin's Winchester paper that concentration, rather than dispersion, is important so far as delivery of goods to shops is concerned.

The individual consumer will find that it will be increasingly economic to purchase goods in large quantities infrequently rather than in small quantities more often, as the former pattern will enable retailers to minimise their prices.

Hence we may expect to see a shift towards a pattern of increasing size of purchase. This will make the use of a car for bulk shopping more, rather than less, economic provided that the number of journeys is reduced and the car itself increasingly shared. Economic pressures seem certain to achieve this. It follows that, contrary to what first impressions may suggest, the future of the large decentralised food store (itself easier to service and more economical in fuel) will be made more assured by increasing energy costs because of the overall benefits to customers.

Harvey Cole,
9, Clifton Road, Winchester.

Profits from bonds

From Mr. J. Harrison.

Sir,—Eamonn Fingleton (May 26) is correct to draw attention to the often overlooked disadvantage of bonds for higher rate tax payers in that accrued capital gains can become, in effect, taxable as accrued investment income. This situation dates back to 1968 when the original legislation was passed; the Labour Government of the day refusing to accept an amendment to allow relief for losses on bonds. It seemed totally preoccupied in curtailing the use of bonds as income tax efficient investment vehicles for surtax payers. Harold Lever for the Government refused to accept the suggestion that profits from bonds could contain accumulated capital gains in addition to accumulated "surtaxable" income. He considered losses to be unlikely and the possibility of inflation and its effects were ignored.

If the new Government introduces some form of indexation and/or tapering relief on capital gains in general, higher rate tax paying bond holders will be potentially worse off in respect of capital gains within

Letters to the Editor

bond funds. I cannot see how Sir Geoffrey Howe would be able to change the taxation rules on bonds to prevent gains from being potentially taxable as income without fundamentally altering the taxation of other aspects of life policies. Of course, if higher rates of income tax are reduced significantly then the problem will not be so severe but the message to any higher rate taxpayer must remain caveat emptor.

In respect of the example given in the article of an individual just below the threshold of higher rate tax the last paragraph is misleading. As the rest of the section implied, the tax bill would be 14p and not £140. There is no anomaly, the original legislation is clear: "and treating so much of it (if any) as would then not be chargeable to surtax as if it were chargeable thereto at all rate."

John Harrison,
7 Regal Lane, NW1.

Recognition of a union

From Mr. P. Cox.

Sir,—Your report (May 26) on the recognition by British Aerospace Wharton Division of TASS, the white-collar section of the Amalgamated Union of Engineering Workers, to represent senior managers and engineers makes depressing reading.

The Engineering Employers Federation in its evidence to the Finiston Committee and elsewhere has indicated that it has little regard to the importance of the necessity to recognise the special skills, motivation and status of managerial and professional staffs. This is understandable, but not acceptable, bearing in mind that the EEF has many backwoodsmen who prefer peace at any price to improving the performance of our industry. We have a right to expect better of British Aerospace whose future must be dependent on the development of high professional and managerial skills. This recognition agreement confining these staff to the shop floor union, on threat of trouble from the Confederation of Shipbuilding and Engineering Unions, if Aerospace dares to consider future recognition of the Engineer and Managers Association or other unions who can properly represent the senior staff, is a further nail in the coffin of our industrial development. Aerospace should have had the courage to follow the lead of British Shipbuilders earlier this year and given recognition to the EMA.

The TUC unions prate about the non-proliferation of unions. They would serve the national interest better if they sorted out demarcation and other shop floor inter-union problems rather than try to extend their influence to staff who they cannot properly represent.

P. A. Cox,
Beechercroft,
18, Rammore Avenue,
Croydon.

Malaysian Chinese

From the Information Minister, High Commission for Malaysia.

Sir,—I refer to the Men and Matters item "Beastly dispute" of May 31. The fifth paragraph refers to "Malay Chinese." There is no such person. The correct style is "Malaysian Chinese." To say "Malay Chinese" is as incorrect as saying "French Germans."

Murtadza Za'ba
45, Belgrave Square, SW1.

Budgetary control

From Mr. T. Moore.

Sir,—Government business is big business and will spend about £60bn of taxpayers' money this year.

Now that we have a more businesslike Government, may I make a plea for it to enforce a normal practical tool of management, namely effective budgetary control. By this I mean that Ministers must present typical businesslike budgets to the House before the money is spent (at present the analysis seems to be done after the money is spent). Nothing elaborate is needed and the submission should be contained on one page.

Such a system would do three things; it would make Ministers justify every penny before it is spent—it would enable newspapers, radio and TV to inform people of proposed expenditure—and it would give MPs the detailed information they need to control the spending of taxpayers' money.

Tom Moore,
Senior Lecturer,
School of Social Sciences,
Thames Polytechnic,
Riverside House,
Beresford Street, SE18.

Cleaning up in the City

From Mr. J. Sandy.

Sir,—Before Sir Kenneth Cork (May 25) brings Temple Bar to St. Paul's I would beseech him to look about him in the City.

The cleaning of stonework, it seems to me, has removed the

Letters to the Editor

protective, albeit sooty, protective layer laid down in the 19th century. The result has been that a more insidious erosion—now eating away our architectural heritage.

Common prudence suggests that the City should publish a daily pollution index (c.f. Pollindex in Johannesburg) against which we can assess the care we are taking of St. Paul's; the bas relief on the pediment of the Monument and other priceless gifts from the past.

Meantime I think Temple Bar should, suitably protected from biological damage, remain in the clean air of Theobalds Park.

Jack Sandy,
Porth Mawr,
Barnouth, Dyfed.

A very rich language

From Mr. F. Smith.

Sir,—We boast that ours is the richest language in the world. Yet your issue of May 22 shows one of the ambiguities that could puzzle foreigners. On page 16 you have "Dispenses the cbips" with news of a machine that allocates equal portions to each one of fish. On the following and facing page you have "Avery—weighing in on the chip revolution" (by your Mr. Crisp) referring to a course of a very different colour.

Frank Smith,
6 Eoleys Drive,
Hayford, Woking.

Malaysian Chinese

From the Information Minister, High Commission for Malaysia.

Sir,—I refer to the Men and Matters item "Beastly dispute" of May 31. The fifth paragraph refers to "Malay Chinese." There is no such person. The correct style is "Malaysian Chinese." To say "Malay Chinese" is as incorrect as saying "French Germans."

Murtadza Za'ba
45, Belgrave Square, SW1.

Budgetary control

From Mr. T. Moore.

Sir,—Government business is big business and will spend about £60bn of taxpayers' money this year.

Now that we have a more businesslike Government, may I make a plea for it to enforce a normal practical tool of management, namely effective budgetary control. By this I mean that Ministers must present typical businesslike budgets to the House before the money is spent (at present the analysis seems to be done after the money is spent). Nothing elaborate is needed and the submission should be contained on one page.

Such a system would do three things; it would make Ministers justify every penny before it is spent—it would enable newspapers, radio and TV to inform people of proposed expenditure—and it would give MPs the detailed information they need to control the spending of taxpayers' money.

Tom Moore,
Senior Lecturer,
School of Social Sciences,
Thames Polytechnic,
Riverside House,
Beresford Street, SE18.

Cleaning up in the City

From Mr. J. Sandy.

Sir,—Before Sir Kenneth Cork (May 25) brings Temple Bar to St. Paul's I would beseech him to look about him in the City.

The cleaning of stonework, it seems to me, has removed the

Today's Events

UK: First meeting of National Economic Development Council since Conservatives took office under chairmanship of Sir Geoffrey Howe, Chancellor of the Exchequer—agenda includes UK industrial performance and a progress report on engineering construction. Prince of Wales will attend.

First-quarter figures of UK balance of payments.

Post Office statement on postal and telecommunications code of practice.

Application by Laker Airways for full reservation and cargo services for Skytrain.

EEC-City workshop on trade links and mutual investments. Little Ship Club, Bell Wharf Lane, E.C.4.

Criquet information as a Post Office telephone service in London, now available elsewhere in Britain.

200th Derby Day.

Overseas: Chancellor Helmut Schmidt, West German Chancellor, meets President Carter in Washington for talks covering security of the Western world—

Why lug your luggage to Gatwick when you can check-in at Victoria?



Fly British Caledonian and you can check yourself and your luggage in at Victoria Station. The Victoria Check-in is in our Air Terminal just above Platform 16.

Arrive about 2 hours before your flight leaves London-Gatwick and you've got time for a relaxed cup of tea.

We'll call you when it's time to catch the train, there's one every 15 minutes. And at Gatwick, with your boarding pass already in your pocket, you just step onto the plane.

Whether your business takes you to Europe, Africa, South America or the USA, our business is to get you there unfrustrated, calm and care free.

We rest our case. And so do you.

British Caledonian Victoria Check-in
We never forget you have a choice.

Companies and Markets

UK COMPANY NEWS

Grand Met over £52m and set for record

A £9m advance in pre-tax profit in the first half of the current year has kept Grand Metropolitan on course for its forecast of further growth at full-time.

HIGHLIGHTS

Two events dominated markets yesterday, the latest banking figures and a massive rights issue from Grand Metropolitan.

Table with 2 columns: 1978, 1979. Rows include External sales, Net profit, Dividends, etc.

paid from profit up from £77.7m to a record £115.94m. Tax for the first half took £13.7m (£12.35m) leaving the net balance ahead £7.58m at £38.48m.

De La Rue down £2m but recovery expected

AFTER BEING ahead at midway from £11.92m to £13.24m, profits before tax of the De La Rue Company for the year ended March 31, 1979, were down at £2.6m compared with £3.34m in the previous year.



Sir Arthur Norman, chairman of De La Rue

The directors say the profit drop of nearly £2m was more than accounted for by an industrial dispute at Thomas De La Rue's main banknote factory, which lasted for 10 weeks.

Pre-tax profit under the Hyde recommendations would have been reduced by about £6m to £20.8m.

Lilleshall more than doubled

FROM sales of £10.36m against £9.86m, profits before tax of the Lilleshall Company, steel and engineering concern, increased from £100,305 to £273,320 in 1978.

Bank 71 per cent convertible subordinated unsecured loan stock 1988/93 as at May 31, 1979, and that 38,628 new shares of £1 each will be allotted in exchange.

N. British Steel slides to £14,000

AS EXPECTED, considerably lower profits are reported by North British Steel Group (Holdings), steel founder and engineer.

Sumrie lifts dividend by 1p

Pre-tax margins at Lilleshall may have doubled in 1978, but at 2.6 per cent they are still at an unacceptable level.

Sumrie lifts dividend by 1p

After turning in record turnover and profit for the year to March 31, 1979, Sumrie Clothes is holding the dividend from 1.5p net to 2.5p.

Parkland Textiles ahead

PRE-TAX profits of Parkland Textile (Holdings) rose from £2.31m to a record £2.57m in the year to March 2, 1979, an 11.7 per cent increase.

dividend is stepped up from an adjusted 1.65p to 1.7775p net making the maximum permitted 3.2245p (£2.9125p). The directors will consider a further payment if the basic rate income tax is reduced.

Scotros makes £1m cash call as profit expands to £1.46m

A RIGHTS issue to raise £1m and profits more than doubled from £0.83m to £1.46m for the year ended March 31, 1979 are announced by Scotros, the Glasgow-based packaging, food and transport equipment group.

At a discount of 27 per cent—rather more than recent issues— which with an eight per cent yield of just under 8 per cent, should be more than sufficient to coax out shareholders' cheque books.

Table with 5 columns: Company Name, Current payment, Date of payment, Correlation, Total last year. Includes Aikins Bros, Carless Capel, De La Rue, etc.

MARYLAND CLOSE TO AMERICA'S MAJOR MARKETS. Advertisement for Maryland Marketplace with a map of the region.

The Maryland Marketplace. Advertisement describing the marketplace as the business hub of America's Eastern Seaboard, with details about its location and services.

Bywater criticises both sides in St. Piran row. Mr. Richard Bywater, who resigned on May 24 as a director of Saint Piran and two of its subsidiaries, yesterday shed some answers to his reasons for leaving.

THE NEW THROGMORTON TRUST LTD. Capital Loan Stock Valuation—June 5th, 1979. The Net Asset Value per £1 of Capital Loan Stock is 249.82p.

Senior Secretaries. Advertisement for a recruitment agency, featuring a cartoon illustration of a man and a woman.

Anglovaal Group. Declaration of Dividends—Mining Companies. Dividends have been declared payable to holders of ordinary shares registered in the books of the undermentioned companies at the close of business on 29 June 1979.

Table with 5 columns: Name of Company, Dividend declared, Total for financial year, Notes. Includes Anglo-Transvaal Consolidated, Anglovaal House, etc.

Senior Secretaries. Advertisement for a recruitment agency, featuring a cartoon illustration of a man and a woman.

UK COMPANY NEWS

Northern Foods ahead to £12m at half-time

ALTHOUGH the road haulage and bad weather affected Northern Foods' raised its profits from £10.57m to £11.7m in the first half to March 31 1979. Turnover was £44m to £47.3m.

In the first year the food and dairy products division lifted the taxable surplus to £17.5m to a record £22.4m, in its annual statement Mr. Nicholas Horsley, chairman, said the current year had started well. He also stated that the directors intended to raise the company's debt ceiling to £192m.



Mr. Nicholas Horsley, chairman of Northern Foods, photographed with the high speed milk bottling line at the company's Hull Dairy.

The net interim dividend is raised from 1.5p to 1.65p. Last year's total was 2.75p. A further 9,404,086 ordinary shares have been issued following the conversion of 77,463,560 unsecured loan stock. Stated earnings per share are 6.4p (6.43p) and 6.21p, against 5.43p fully-diluted.

The pre-tax surplus was struck after depreciation of £3.24m (£2.07m) and this for the first time included freight handling charges amounting to £500,000. Investment earnings are down from £1.14m to £460,000, and interest is ahead from £805,000 to £885,000.

There is no dividend from British Credit Trust, which has been sold, compared with £800,000, and the share of associate profits is down from £43,000 to £20,000.

Tax for the period takes £3.6m (£3m), and the charge has been restated to take account of the new policy for deferred tax.

After minorities of £6,000, against £2,000, and extraordinary credits of £263,000 (£96,000) the attributable surplus goes ahead from £7.95m to £8.92m. The retained profit is £3.92m compared with £6.13m.

See Lex

Recovery for Carless Capel

REFLECTING THE second half recovery, which had been indicated at the interim stage, when profits had fallen 28 per cent to £0.82m, Carless Capel and Leonard finished the year to March 31 1979 with pre-tax surplus ahead from £2.3m to £2.56m, on turnover up at £38.49m, against £32.56m.

And the directors expect that the present satisfactory trend will continue in the current half year.

After reduced tax of £34,000 (£69,000), earnings per 10p share increased from 3.8 to 5.2p. A final dividend of 0.6174p lifts the net total to 1.0258p (0.9214p), but the directors say that in the absence of dividend restraint they would have recommended a 1.3p final.

However, in consequence, they intend to reserve a sum equal to the difference between the proposed dividend and the higher level, and to distribute this as a special payment when circumstances permit.

The company is engaged in refining and marketing hydrocarbon solvents; specialty chemicals; oil and gas exploration.

Sogomana advances to £0.76m

INCLUDING investment income almost £130,000 higher at £278,353, profits before tax of Sogomana Group increased from £515,760 to £761,126 for 1978.

Turnover of the group, which is involved in the production of natural rubber, oil palms and cocoa, improved from £1,294,895 to £1,464,490.

Tax takes £333,735 (£227,755) giving earnings up from 9.24p to 13.72p per 10p share. The net dividend total is lifted from 6p to 9p, with a 7p final.

British Investment Trust

Highlights from the Report and Accounts for the year to 31st March 1979

| Year to 31st March | Total Assets £ | Total Revenue £ | Earnings p. | Dividend p. | N.A.V. per Ord. Share p. |
|--------------------|----------------|-----------------|-------------|-------------|--------------------------|
| 1975 | 97,712,000 | 4,632,000 | 3.45 | 3.35 | 136½ |
| 1976 | 120,323,000 | 4,746,000 | 3.55 | 3.50 | 171½ |
| 1977 | 118,353,000 | 5,325,000 | 4.36 | 4.30 | 175½ |
| 1978 | 126,015,000 | 5,603,000 | 4.80 | 4.85 | 188½ |
| 1979 | 139,461,000 | 6,156,000 | 6.11 | 5.70 | 211 |

REVENUE
Revenue from U.K. equities showed an encouraging increase of 16%, short term deposit interest was higher and there was an improvement in the revenue from properties. The value of overseas revenue was adversely affected by the strength of sterling during the year and does not fully reflect the underlying growth of dividends from the investments in these markets. Interest paid showed a reduction and net revenue before tax rose by over 16%.

DIVIDEND
In view of the generally improved revenue situation the Board have declared dividends for the year totalling 5.70p per share, an increase of 17½%, fully covered by earnings per share of 6.11p.

CAPITAL
The valuation of the properties increased by 21% and there was a good performance by the U.K. equity portfolio. These improvements more than offset the adverse

effect on the value of the overseas investments arising from the strength of sterling and a material fall in the level of the investment currency premium at the end of the year. Total assets rose by £13.5 million and the Net Asset Value by 12½% to a record level of 211p per share.

PROSPECTS
In the coming year the capital performance of the U.K. market is difficult to predict, however dividends from U.K. equities which represent much the largest proportion of total revenue, should show continued growth, particularly if restraint on dividends is not reimposed, and property rents are expected to rise further. In North America many companies will continue to experience excellent earnings and dividend growth in the next few years and the Japanese economy is expected to remain relatively strong. Investment in these two major overseas markets should be rewarding over the longer term.

Copies of the Annual Report and Accounts may be obtained from The British Investment Trust Limited, 46 Castle Street, Edinburgh EH2 3BR.

L.O.F. picks up in second half and returns to dividends

REPORTING a virtuoso mid-way trading of £1.95m, London Overseas Freighters achieved a seven result in the second months ended March 31, to finish with a loss almost £1.92m to £1.92m.

In the light of certain favourable developments during the twelve months, the directors that dividends may be paid on a modest scale—a one year absence—and are recommending a pay of 1.072p net, compared 3.2076p two years ago. A one-year scrip issue is also proposed.

The directors explain that the cessation settlement for the rationalisation of Austin Pickersgill has significantly increased resources available to the group. A rescheduling of repayments of the major of its dollar borrowings deferred calls which would have fallen upon us during the next two until the succeeding two resulting improvement in position has been a factor in the directors' decision to pay dividends. However, they say the most important reason has been the very real improvement in its earnings during the half of 1978-79 and their feeling of quiet confidence that this will be sustained during the current year.

Attributable loss for the year emerged some £2m lower at £1.9m.

Last August, the company agreed with the Department of Industry for total compensation of £14m on the A. and P. nationalisation, which was in the form of 97 per cent Treasury Stock 1981 issued at the ruling market prices.

Trading loss... 1,923
Investment Inc. & Int. 455
Reserve losses 187
Surplus vessels sale 2,098
Making loss 224
To minorities 725
Share of assoc. losses 453
Attributable loss 1,204
Brought forward 26,589
Compensation receivable 8,777
Compensation stk. Int. 672
Dividend 800
Leaving surplus 33,644

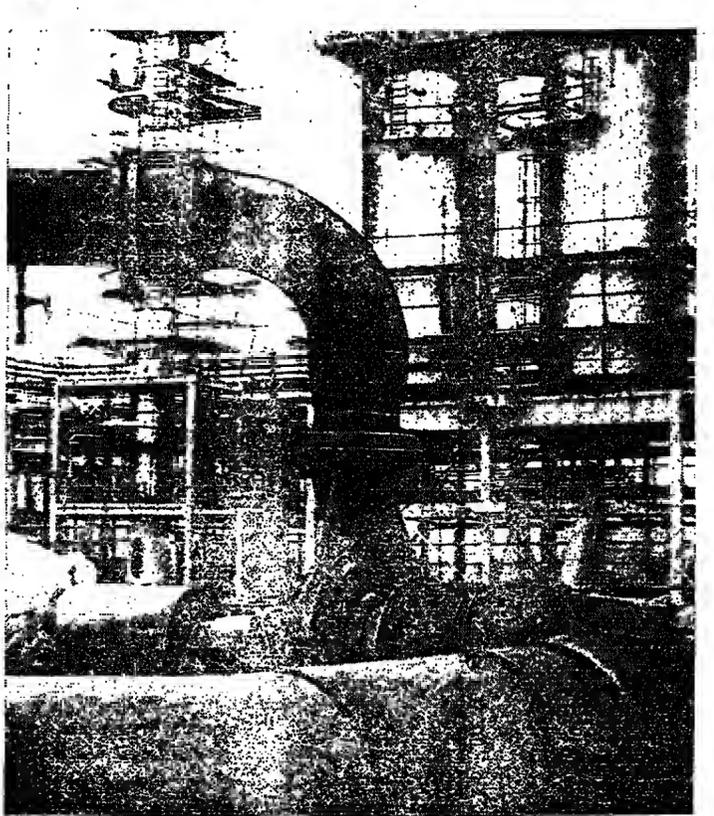
The amount represents an excess-over-book value of £11.2m, of which sum £2.4m was credited in the 1977-78 accounts, the £8.8m balance being accounted for in the period now covered. The market value of this compensation stock on March 31, 1979, was £14.11m.

The group has arranged additional facilities with its bankers, which effectively enable it to defer, at its option, repayments, amounting to

£10.2m which would otherwise become due in the next two years. An associate, L.O.F. (Jersey) however, was unable to secure similar facilities from its own bankers.

The total indebtedness of the group (including associates) at the year end was £36.12m (£32.99m), which included Eurodollar borrowings totalling £37.93m which are repayable in instalments at various dates up to September 1987—if these loans were to have been repaid on the balance date at the exchange rate then prevailing, the cost would have been £1.66m more than book figures.

Like you, Turner & Newall can't see a future without plastics



Our £17 million investment in new PVC resin plant, on stream this year, will eventually double output.

The market for processed plastics has enormous growth potential. At T&N, we're making sure we get our share of that growth.

We moved into entirely new consumer fields with the addition of Stores in Lancaster. We are introducing new moulding and extrusion materials for high technology plastics. And a £17m plant (our largest ever single internal expansion project), which will eventually double our PVC resin output, comes on stream this year.

In three years, we've increased capital employed in plastics and industrial materials from £67m to £125m and plastics now account for over 43% of our UK turnover.

This is only one of the businesses in which T&N is making its mark internationally. We are actively investing and growing in automotive components, specialty chemicals, man-made mineral fibres and construction materials, in addition to mining asbestos.

T&N has been evolving at such a rate that your view of us may have got out of date. Why not correct that now, by writing for our corporate brochure?

TURNER & NEWALL LIMITED

Providing what the future needs

To: Public Relations Dept., Turner & Newall Ltd., 20 St. Mary's Parsonage, Manchester M3 2NL.

Please send me a copy of your corporate brochure and/or Report & Accounts

Name _____

Address _____

P.S.6.

Premier Oilfields makes scrip to reflect assets expansion

EASED drilling activities in U.S., together with a 00 write-off of start up at Buffalo Creek coalmine led to Premier Consolidated Oilfields incurring a net of £84,610 for the year March 31, 1979, against £160,515 previously.

Costs involved in the operations were forewarned at midway when net of £185,080 (£108,352) reported.

and gas production, Premier considers it is well placed to benefit from wildcat exploration success in any of its international ventures.

A one-for-ten scrip issue is being proposed reflecting part of the increased value of the group's exploration and production holdings, Mr. Roland Shaw, chairman, says.

The year's net loss is struck after tax of £96,004 (£366,268) but before exchange losses of £73,069 against £43,315. Loss per share is stated as 0.13p (0.26p earnings) and again there is no dividend.

The year's net loss is in spite of an increase in total revenue from £2.6m to £3.1m. Funds generated from trading were more than maintained at £880,000 (£660,000).

| | 1978-79 | 1977-78 |
|----------------------|-----------|-----------|
| Sales | 2,817,736 | 2,303,039 |
| Operating costs | 100,365 | 78,155 |
| Div. & int. income | 157,701 | 153,257 |
| Miscellaneous income | 12,182 | 24,842 |
| Profit before tax | 255 | 19,708 |
| Exceptional items | 3,132,149 | 2,842,251 |
| Production costs | 1,752,389 | 1,087,981 |
| Amort. & deprec. | 633,841 | 574,145 |
| Explor. expend. | 3,958 | 10,044 |
| Expenses | 489,150 | 407,714 |
| Short-term interest | 41,017 | 35,394 |
| Profit | 11,384 | 526,783 |
| Taxation | 25,004 | 366,238 |
| Net loss | 84,610 | 116,515 |
| Exchange losses | 73,069 | 43,315 |
| Leaving | 157,429 | 117,200 |

Sales of Oil, Gas and Coal: are split geographically as to UK £358,258 (£85,217); U.S. £1,812,362 (£1,461,069); Trinidad £674,983 (£771,531) and Italy £6,133 (£5,271).

During 1978-79 five successful oil and gas wells and two dry holes were drilled on Premier's U.S. properties. A 50 per cent interest in 350,000 acres covering 17 exploration prospects along the Rocky Mountains was acquired.

The Buffalo Creek mine, producing about 500 tons of coal a day, is expected to make a substantial contribution to 1979-80 cash flow.

In Italy, the chairman says, the group expects that a gas sales contract will be negotiated this year and gas plant construction started. Local gas prices have risen in recent months and interests in the fields where Premier's wells are located have changed hands at prices considerably above their cost to Premier.

As previously announced, Premier has been notified by the Government of Trinidad and Tobago of its intention to acquire the group's Trinidad interests.

Clement Clarke (Holdings) Ltd.

Manufacturing and Dispensing Opticians
Manufacturers of Spectacles, Medical, Optometric and Aircraft Instruments and Equipment.

Mr. J. H. Clarke, Chairman and Managing Director, reports on 1978:

- Group Sales £9,589,202 (1977: £7,477,264).
- Group Profit before tax £1,256,452 (1977: £879,196).
- Final Dividend 5.4716% making 9.6591% (1977: 8.65%) for the year.
- One for three scrip issue to Ordinary Shareholders.
- Earnings per share 13.99p (1977: 10.99p).
- Export sales £1,174,401 (1977: £975,390).

The year ahead: To date, our general performance has been excellent, with sales in most divisions substantially in excess of the same period last year. Our half-year results should be very satisfactory, and providing the political and industrial climate remains stable throughout the remainder of the year, our final results will be in line with current trends.

Corrected Notice of Redemption

Massey-Ferguson Nederland N.V.

9 3/4 % Guaranteed Sinking Fund Debentures Due July 1, 1982

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Fiscal Agency Agreement dated as of July 1, 1975 under which the above described Debentures were issued, Citibank N.A., as Fiscal Agent, has drawn by lot, for redemption on July 1, 1979, through the operation of the sinking fund provided for in the said Agreement, \$2,000,000 principal amount of Debentures of the said issue of the following distinctive numbers:

Table with columns: CUPON DEBENTURES OF \$1,000 PRINCIPAL AMOUNT OUTSTANDING. Lists numerous debenture numbers and their corresponding coupon values.

The Debentures specified above, are to be redeemed for Sinking Fund (a) at the W.C.G. Agency Services Department of the Fiscal Agent, 211 Wall St., Bond Window—2nd Floor, in the Borough of Manhattan, The City of New York or (b) subject to any laws or regulations applicable thereto, at the main offices of Citibank, N.A. in London (Citibank House); Citibank (Luxembourg) S.A.; Credito Italiano; Milan; Dresdner Bank Aktiengesellschaft; Frankfurt/Main; Fierstein, Holding & Pierson, Amsterdam; Societe Generale, Paris; Swiss Bank Corporation, Basel; Credit Suisse, Zurich and Societe Generale de Banque S.A., Brussels. Payment at the offices referred to in (b) above will be made by a United States dollar check drawn on a bank in New York City or by transfer to a United States dollar account maintained by the payee with a bank in New York City on July 1, 1979, the date on which they shall become due and payable, UPON PRESENTATION AND SURRENDER THEREOF, at the redemption price of 100 per cent of the principal amount thereof, together with accrued interest to the date fixed for redemption. On and after said redemption date, interest on said Debentures will cease to accrue.

The Debentures should be presented at the offices set forth in the preceding paragraph on the said date with all interest coupons maturing subsequent to the redemption date. Coupons due July 1, 1979 should be detached and presented for payment in the usual manner.

For MASSEY-FERGUSON NEDERLAND N.V.

By CITIBANK, N.A. Fiscal Agent

May 29, 1979

THE LILLESALL GROUP Preliminary Announcement

Group Results - for the period ended 30th December, 1978

Table showing Group Results for the period ended 30th December, 1978. Columns include 1978 and 1977 figures for Turnover, Trading Profit, Profit before Tax, Profit after Tax, Extraordinary Profit, Net Profit, Retained Surplus, Ordinary Dividends per share, and Earnings per 10p ordinary share.

Subject to the confirmation of the shareholders at the Annual General Meeting to be held on 27th June, 1979 the final dividend will be payable on 28th June, 1979 to holders of ordinary stock registered on 14th June, 1979.

Overall trading during the year has resulted in a marked improvement in profit. The amounts set aside for deferred taxation at 31st December, 1977 should be sufficient in the foreseeable future and no further amounts have been set aside this year. The Group's land and buildings have been revalued at 1st April, 1978 at £1,485,214.

Profit from steel stockholding has increased but its level reflects the difficult conditions which have prevailed. Production from the steel rolling mill was improved but increased wages have kept profits low.

In the engineering division the year has been one of further consolidation and sales of fencing have increased.

Sir Charles Duke died on 14th November, 1978. Mr. Graham Price is resigning as Chief Executive on 27th June, 1979 but is remaining on the Board in a non-executive capacity. Mr. Jaff Richards was appointed a Director on 21st February, 1979 and will be appointed Group Managing Director on 27th June, 1979. Mr. Oavid Graham-Wood was appointed a non-executive Director on 8th May, 1979.

There is still no sign of a general upturn in the demand for steel but the Group's consolidation programme is now showing results. All divisions could do better given stable trading conditions without industrial unrest and it is hoped that Government will allow this.

Allan R. Pike, Chairman

THE LILLESALL COMPANY LIMITED ST. GEORGE'S, TELFORD, SALOP TF2 9BQ

MINING NEWS

Geevor seeks cash for fresh expansion

By Paul Cheeseright

GEEVOR TIN MINES, one of the two remaining Cornish producers of any scale, yesterday declared the maximum possible dividend for 1978-79 under present regulations on the back of static tin prices, and announced a one-for-five rights issue at 100p a share. The dividend of 2.893563p net is a second interim and brings the total for the year to March to 5.373563p against payments of 5.035p in 1977-78. The company would have liked to bring total payments for 1978-79 to 8.11p and if restrictions are lifted will recommend a further payment after July 31 of 3.14p.

The rights issue seeks to raise £498,360 and is part of the financing for a new expansion plan. The offer price of 100p compares with yesterday's market price of 71p, indicating a right value of 71p per share.

The funds raised from shareholders will be used in a £2m investment plan to extend ore treatment facilities at the Land's End mine. A further £1.17m of funding has been raised through a Department of Industry interest relief grant and a loan from the European Investment Bank. The balance of £327,640 will come from Geevor's own ample cash resources.

The figures for the year to last March show that 255,000 was placed in the company's general

reserves. In 1977-78, 1692,865 went to the reserves.

After tax profits were £520,942 compared with £538,473 in 1977-1978, although turnover was sharply higher at £4,298m against £3.45m. But the depreciation charge rose to £268,863 from £187,611 and pre-tax profits were £1,022m compared with £1,069m in the year to March, 1978.

comment

Geevor is entering a new phase of expansion at a time when costs have come under increasing pressure. Although tin output was much the same last year as the year before, the benefits of higher prices were cancelled out by climbing wage and material costs. The higher provision for depreciation reflects the phase of expansion just finished when a sub-incline shaft was sunk from existing workings.

This new shaft puts the company in touch with a new ore body. Once this is exploited, and the working of waste dumps adjacent to the mine is under way, then existing ore treatment facilities will be inadequate. Geevor, in short, is switching the focus of its expansion from underground to overground.

The terms of the rights issue provide a generous discount to the market price and this probably uses something to the

company's inability to pay the level of dividends it feels is justified by the latest results. Total payments for the year are covered 5.9 times by earnings per share of 33.15p. At 145p the shares offer a yield of 5.7 per cent and, if Geevor could recommend that extra 3.14p, the yield would be 8.96 per cent.

Pengkalen's good output

ANOTHER HIGH monthly production of tin concentrates is reported by the small single-dredge producer, Pengkalen. The May output of 501 tonnes matches that of April—which was the best since July 1978—and makes an 8-month total of 1011 tonnes compared with 691 tonnes a year ago.

Among other May production figures from the Malaysian mines, that of Gopeng brings the 8-month total to 1,282 tonnes against 1,122 tonnes. Idris has produced 114 tonnes in the past five months against 84 tonnes while Tanjong's figure for the same period are 701 tonnes against 871 tonnes.

The terms of the rights issue provide a generous discount to the market price and this probably uses something to the

Table showing tin production figures for Gopeng, Idris, and Pengkalen in tonnes for May, April, and March 1979.

Mid-East buys into Metals Ex.

AUSTRALIA'S Metals Exploration, best known for its partnership with Freeport Sulphur of the U.S. in the struggling Greenvale nickel-cobalt operation in Queensland, has gained a new major shareholder, reports James Forth from Sydney.

The local mineral exploration company, Mid-East Minerals, has bought out several large shareholders to give it a 22.47 per cent interest in Metals Exploration.

Mid-East intends to buy further shares "from time to time" to lift its holding to about 30 per cent, according to the Mid-East chairman, Mr. D. M. Nicholas.

If Mid-East is successful it will become the largest shareholder, ahead of Freeport which currently owns 25 per cent of the capital. The Mid-East purchase follows a "warehousing" operation in Metals Exploration, which had been carried out over the past two months.

Last week two companies, FAI Insurances and Consolidated Press Holdings, announced they were not the beneficial owners of large parcels of shares in Metals Exploration registered in their names.

Both companies had been buying on behalf of an unnamed party. Mid-East picked up its holding when it was approached by a shareholder to buy the shares held by FAI and Consolidated Press along with another parcel.

Mr. Nicholas said Mid-East had been looking for an investment and it was believed that Metals Exploration had a good future, despite the financial problems at Greenvale.

"We wanted to make an investment in a 'spec' company, but one that was producing," Mr. Nicholas said. In London yesterday,

Metals Exploration shares fell 8p to 63p; last week they rose 11p to 71p.

Lower income for Tanks

AFTER HAVING held 1978 half-year earnings steady at £11.1m, Tanks Consolidated Investments reports lower profits for the full year of a pre-tax £3.7m against £4.4m in 1977. Earnings per share come out at 12.89p against 16.27p, but the dividend rate is unchanged with a final 6p to make 10p.

The main adverse factors in the latest period have been a reduced dividend from the 17.1 per cent holding in Union Minerals and a reduction in other income which was boosted in the previous year by a sale of part of the stake in the Ashton diamond exploration venture in Western Australia. In the past year, however, there has been an extraordinary gain on the disposal of investments which are regarded as fixed assets.

As far as the current year is concerned, no great change in the present income sources seems likely. The price is contained in the diamond and oil exploration interests. Meanwhile, the shares at 151p offer a yield of 5.3 per cent.

Fluor Mining and Metals, a unit of Fluor Corporation, the large U.S. engineering and project management group, is setting up a geology and mining engineering division, based in Tucson, Arizona. The aim of the office is to increase the provision of services to the mining and metallurgical industries of the south western states.

Steep Rock Iron Mines, which is phasing out mining activities in Attikokan, Ontario, is planning to diversify into industrial minerals. Latest figures show that Steep Rock had C\$41.3m (£16.8m) of working capital at the end of the first quarter. It has two other iron ore properties which could be developed within the next few years. First quarter net profits were down to 6.0 cents (2.45p) a share from 15 cents in the 1978 first quarter.

ROUND-UP

T copper mining project in the Philippines, costing about £36m, is to be provided as a complete package by a consortium of three Finnish companies, Ontokumpu Oy, Kone Oy and Rauma-Repola Oy together with the Philippine corporation, DM Consunji. In addition to the mine and concentrating plant, the turnkey project includes the construction of a mining community and services. The mine, which will initially be an open cast operation extracting some

5m tonnes of ore per day, will be in the south-eastern part of the island of Mindanao.

Dowa Mining is to build a new lead refinery at Kosaka in Northern Japan. It was announced in Tokyo. The monthly production capacity will be 2,000 tonnes. The plan rests on a recovery of the domestic lead market. The cost will be ¥1.5bn (£328m).

South Roopeport Main Reef Area, the ageing South African gold mine receiving state assistance, yesterday declared a final dividend of 10 cents (5.69p) for the year to June. With a special dividend paid earlier in the year this brings the total for 1978-79 to 70 cents. There were no payments in 1977-78 and the new board warns that high dividends must not be expected in the foreseeable future.

Fluor Mining and Metals, a unit of Fluor Corporation, the large U.S. engineering and project management group, is setting up a geology and mining engineering division, based in Tucson, Arizona. The aim of the office is to increase the provision of services to the mining and metallurgical industries of the south western states.

MINING BRIEFS

KILLINGHALL: Tin—Output for May: 51 tonnes (April: 40 tonnes). PETALING TIN—Tin-ore output for May: 567 tonnes (April: 1214 tonnes).

Banking figures

(as table 4 in Bank of England Quarterly Bulletin)

ELIGIBLE LIABILITIES, RESERVE ASSETS, RESERVE RATIO AND SPECIAL DEPOSITS

1—Banks

Table showing Eligible Liabilities for UK banks, Japanese banks, Northern Ireland banks, and Other. Columns include 1979 £m and Change month to month £m.

Total eligible liabilities* 48,407 +906

Reserve assets

Table showing Reserve Assets for UK banks, Japanese banks, Northern Ireland banks, and Other. Columns include 1979 £m and Change month to month £m.

Total reserve assets 6,532 +78

Constitution of total reserve assets

Table showing the constitution of total reserve assets, including Money at call, Discount market, Other, UK, Northern Ireland Treasury Bills, Other bills, Local authority, Commercial, British Government stocks with one year or less to final maturity, and Other.

Total reserve assets 6,532 +78

Ratios %

Table showing Ratios % for UK banks, Japanese banks, Northern Ireland banks, and Other. Columns include 1978 and 1979 values.

Government stock holdings with more than one year but less than 18 months to final maturity amounted to 44 -162

Finance houses

Table showing Finance houses Eligible liabilities, Reserve assets, and Ratio (%).

Special deposits at May 16 were £707m (op £707m) for bar and £3m (op £3m) for finance houses. * Interest-bearing eligible liabilities were £31,357m (up £1,178m).

Advertisement for Marshall's Universal Limited, featuring a map of the Newport area and details of convertible shares.

Advertisement for Commercial Credit International Banking Corporation, including contact information for London and U.K. offices.

Large advertisement for Getatable, featuring the slogan 'The 10 minutes from anywhere town.' and a map of the Newport area.

London Clearing Banks' balances

at May 16, 1979

TABLES below provide the first indication of the trends of banking and deposits, ahead of the more comprehensive banking and money figures published later by the Bank of England. Tables 1, 2 and 3 prepared by the London clearing banks cover the business

of their offices and their subsidiaries (excluding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England as falling within the banking sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit control. Minor differences here arise from the exclusion from the clearing bank figures of Courts, a subsidiary of National Westminster but a clearing bank in its own right.

| TABLE 1. CLEARING BANKS' BALANCES | | Change on month | | Total outstanding | | Change on month | |
|---------------------------------------|---------------|-----------------|----|-------------------|----|-----------------|----|
| | £m | £m | £m | £m | £m | £m | £m |
| LIABILITIES | | | | | | | |
| Deposits: | | | | | | | |
| banking sector | 5,907 | + 72 | | | | | |
| private sector | 30,109 | +130 | | | | | |
| public sector | 515 | + 83 | | | | | |
| overseas residents | 2,905 | + 72 | | | | | |
| certificates of deposit | 1,917 | + 13 | | | | | |
| which: Sight | 41,363 | + 55 | | | | | |
| Time (inc. CD's) | 17,700 | -151 | | | | | |
| Time (inc. CD's) | 23,653 | +206 | | | | | |
| Currency deposits: | | | | | | | |
| banking sector | 5,001 | +227 | | | | | |
| private sector | 1,804 | + 35 | | | | | |
| public sector | 12,059 | +490 | | | | | |
| overseas residents | 1,178 | + 22 | | | | | |
| certificates of deposit | 20,122 | +776 | | | | | |
| Deposits | 61,474 | +831 | | | | | |
| Liabilities | 10,085 | -427 | | | | | |
| TOTAL LIABILITIES | 71,559 | +404 | | | | | |
| ASSETS | | | | | | | |
| Bills: | | | | | | | |
| Treasury bills | 459 | -131 | | | | | |
| Other bills | 835 | - 61 | | | | | |
| Special deposits with Bank of England | 1,294 | -191 | | | | | |
| Investments: | | | | | | | |
| British Government stocks | 2,119 | +213 | | | | | |
| Other | 1,620 | + 4 | | | | | |
| Advances: | | | | | | | |
| UK private sector | 22,012 | +472 | | | | | |
| UK public sector | 122 | - 27 | | | | | |
| Overseas residents | 3,233 | + 25 | | | | | |
| Other sterling assets* | 25,437 | +461 | | | | | |
| Foreign currencies | 6,291 | -697 | | | | | |
| Market loans: | | | | | | | |
| UK banks and discount market | 4,284 | + 66 | | | | | |
| Certificates of deposit | 178 | - 4 | | | | | |
| Other | 8,613 | +525 | | | | | |
| Bills | 13,075 | +587 | | | | | |
| Advances: | | | | | | | |
| UK private sector | 2,216 | + 43 | | | | | |
| UK public sector | 970 | + 15 | | | | | |
| Overseas residents | 3,595 | + 30 | | | | | |
| Other foreign currency assets* | 6,781 | +138 | | | | | |
| TOTAL ASSETS | 71,559 | +404 | | | | | |
| Acceptances | 424 | - 2 | | | | | |

* Includes items in suspense and in transit.

| TABLE 2. INDIVIDUAL GROUPS' BALANCES | | TOTAL | | BARCLAYS | | LLOYDS | | MIDLAND | | NATIONAL WESTMINSTER | | WILLIAMS & GLYNN'S | |
|---|--------|-----------------|--------|-----------------|--------|-----------------|--------|-----------------|--------|----------------------|-------|--------------------|----|
| | £m | Change on month | £m | Change on month | £m | Change on month | £m | Change on month | £m | Change on month | £m | Change on month | £m |
| LIABILITIES | | | | | | | | | | | | | |
| Deposits | 61,474 | +831 | 16,727 | +234 | 11,502 | + 14 | 12,493 | +127 | 18,904 | +383 | 1,848 | - 36 | |
| Bills and balances with Bank of England | 1,358 | + 72 | 362 | - 59 | 194 | - 11 | 345 | + 78 | 413 | + 67 | 44 | - 3 | |
| Market loans | 13,669 | -412 | 3,111 | + 20 | 3,187 | -314 | 1,935 | - 29 | 5,124 | - 75 | 311 | - 14 | |
| Other | 11,280 | +395 | 3,502 | +100 | 2,901 | +168 | 1,560 | + 34 | 3,034 | +108 | 281 | - 5 | |
| Other | 1,327 | -195 | 278 | - 39 | 110 | + 3 | 455 | -152 | 450 | + 14 | 34 | - 20 | |
| Local deposits with Bank of England | 413 | +413 | 140 | +140 | 25 | + 25 | 100 | +100 | 131 | +131 | 17 | + 17 | |
| UK Government stocks | 2,119 | +213 | 549 | + 64 | 380 | + 64 | 534 | + 91 | 544 | + 8 | 112 | - 14 | |
| Overseas | 32,218 | +598 | 9,219 | +197 | 4,684 | +129 | 7,477 | + 11 | 9,525 | +227 | 1,113 | + 34 | |

| TABLE 3. CREDIT CONTROL | | TOTAL | | BARCLAYS | | LLOYDS | | MIDLAND | | NATIONAL WESTMINSTER | | WILLIAMS & GLYNN'S | |
|-------------------------|--------|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|-------|----------------------|------|--------------------|----|
| | £m | Change on month | £m | Change on month | £m | Change on month | £m | Change on month | £m | Change on month | £m | Change on month | £m |
| LIABILITIES | | | | | | | | | | | | | |
| Liabilities | 27,243 | +639 | 8,474 | +338 | 4,164 | +179 | 6,418 | - 39 | 7,206 | +166 | 982 | - 5 | |
| ASSETS | | | | | | | | | | | | | |
| Assets | 3,604 | + 79 | 1,089 | + 29 | 752 | + 13 | 830 | - 35 | 1,027 | + 83 | 123 | - 11 | |
| Ratio (%) | 13.2 | - | 13.0 | - 0.1 | 12.6 | - 0.2 | 12.9 | - 0.5 | 14.2 | + 0.8 | 12.6 | - 1.1 | |

Some of Europe's most enterprising young international bankers work for America's oldest bank.

Like all First Pennsylvania bankers, Len Caldwell knows that the race belongs to the swift.

Responsiveness has been a First Pennsylvania Bank tradition for nearly two centuries. We are the largest commercial bank in Philadelphia and have flourished longer than any other United States bank because we remain alive to challenge and alert to opportunity. Now you can put our responsiveness (and enterprising people like Len Caldwell) to work for you, solving your international banking problems. Call us. We're represented worldwide. And we'll answer quickly.

First Pennsylvania Bank
 100 Pine Street, London EC4V 3HP, England. Tel: 01-577-4157. Telex: 385116
 Frankfurt, Kaiserstrasse 11, 6 Frankfurt, Germany. Tel: 069-1-6181. Telex: 416037
 1979 First Pennsylvania Bank



De La Rue's Good Prospects

Growth expectations for 1978/79 not fulfilled mainly because of ten-week stoppage.

"We have suffered a temporary check of an exceptional nature in the planned progress of our profitability..... but the Board confidently expects the current financial year to produce strong growth throughout the Group with corresponding improvement in the profitability of all sections of the business"

Sir Arthur Norman, KBE, DFC., Chairman

now a major element in the Group's shape and a major factor in its performance. The order book at the start of the new financial year is in excellent condition. Expenditure on development will continue at a very high level, as is necessary in a high technology business. Crosfield Electronics' outstanding export performance earned the Division its fifth Queen's Award, to add to two previously earned for Export Achievement and two for Technical Innovation.

Associated Companies

Our associated company in Nigeria performed very efficiently and is investing heavily in new equipment to modernise and expand its capacity. De La Rue Giori SA in Switzerland traded more profitably than in the previous year, and the De La Rue share of the profits of its associated companies therefore came very near to the level attained two years ago.

| Results for the year to 31st March 1979. | | |
|--|----------------|----------------|
| | 1979 | 1978 |
| | £000 | £000 |
| Sales: | | |
| UK | 30,454 | 24,619 |
| Export | 80,724 | 68,369 |
| Overseas | 21,992 | 17,134 |
| | 133,170 | 110,122 |
| Trading profit before interest payable | 22,554 | 25,019 |
| Interest payable | 961 | 770 |
| Trading profit | 21,593 | 24,249 |
| Percentage on Sales | 16.2% | 22.0% |
| Share of profits of associated companies | 5,010 | 4,091 |
| Profit before taxation | 26,603 | 28,340 |
| Taxation | 6,545 | 8,379 |
| Profit after taxation | 20,058 | 19,961 |
| Minority interests | 500 | 356 |
| Profit attributable to The De La Rue Company Limited, before extraordinary items | 19,558 | 19,605 |
| Extraordinary items | (400) | 912 |
| | 19,158 | 20,517 |
| Dividends | 4,221 | 3,697 |
| Retained earnings | 14,937 | 16,820 |
| Earnings per Ordinary share (before extraordinary items) | 51.3p | 54.5p |
| Proposed final dividend 7.147p net per share (1978 - 6.497). | | |

Security

The results for the Security Divisions of the Company showed a decline of some £6,600,000 in profit before tax by comparison with the record figure achieved in 1977/78. This was due to two main factors: a ten-week stoppage by fire at the Gateshead factory of Thomas De La Rue, the lost production from which will be made up in the current year, and delays in the development and sales of new banknote sorting and lottery systems at De La Rue Rosfield. The overall outcome masks some very creditable performances elsewhere, notably in Security Express and the security printing companies in Latin America.

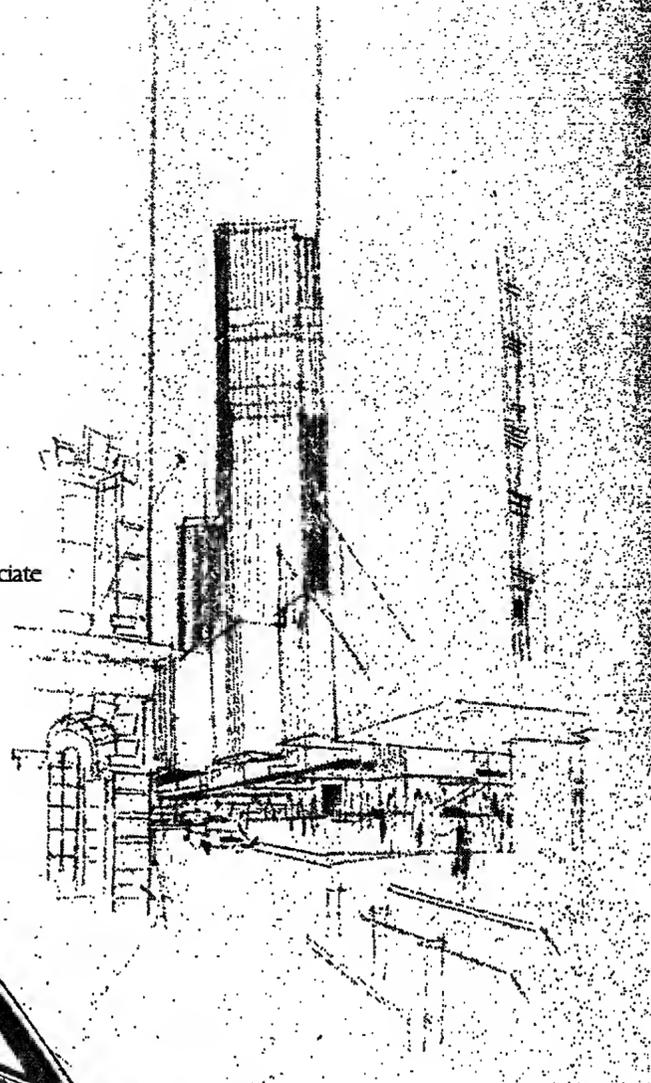
Crosfield Electronics

The past year has been one of further outstanding progress in this Division. Turnover rose by 39% and profit before tax was doubled. Crosfield Electronics is therefore

The Peugeot 604

LUXURY WITH THE POWER TO SURPRISE.

The exceptional space and comfort of a Peugeot 604 are synonymous with luxury motoring. But few suspect the solid power of the 2.7 litre V6 engine concealed beneath the car's elegant good looks. There are two models to choose from, the SL Carburettor or the TI with Bosch K-Jetronic fuel injection capable of generating 60 mph in just 9 seconds - only a tenth of a second slower than the BMW 733i. The 120 mph top cruising speed shouldn't be needed in Britain. But high mileage drivers will appreciate the reserve power for effortless overtaking. From 40 to 70 mph in 6.9 seconds - though inside you'd never know it. The 604 whispers along, hugging the road. Driver and passengers are carried in tranquil luxury usually associated with far more expensive cars. Any one of our nationwide network of 250 dealers will gladly let you drive a 604 yourself. Test its luxury. Test its power. We think you'll be agreeably surprised.



Recommended retail prices correct at the time of going to press: From £7,324 for the SL Carburettor and from £8,300 for the TI fuel injection. Standard items include tinted glass, electrically operated sun roof and windows, power steering and centralised door locking. The TI price includes a 5-speed manual gearbox, lacquered metallic finish and electronic ignition. Automatic transmission, leather upholstery, air conditioning and headlamp wash/wipers are available as options. Prices include VAT, car tax and seat belts but exclude delivery charges and number plates. (Source of acceleration figures: 0-60 mph: 604 TI-Car Magazine; BMW 733i-Autocar. 40-70 mph: manufacturer's figure; 604 TI top speed - What Car?)



Finance and leasing facilities available from Peugeot Finance.



I am interested in the Peugeot 604. Please send me your information pack.
Name: _____
Address: _____
Tel: _____
Customer Relations, Peugeot Automobiles (U.K.) Ltd., 335 Western Avenue, London W9 0RS. Tel: 01-993 2331.

تدوین و چاپ

UK COMPANY NEWS

BIDS AND DEALS

View Forth in merger with Crescent unit trust

BY TIM DICKSON

Shares of View Forth Investment Trust rose 5p to 77p yesterday on news that the company is to be amalgamated with Crescent Reserve Fund, an authorised unit trust managed in Edinburgh by Crescent Unit Trust Managers and currently valued at about £10.4m.

Aurora hoping to hold talks with Edgar Allen

The board of Edgar Allen & Co. has discussed the offer on Aurora Holdings, with its advisers, Hill Samuel, and steps are being taken to straighten out the position of the company's shareholders to take no view yet.

SHARE STAKES

Unochrome International - As result of purchases on May 29 of 150,000 shares, Camella Investments holds 4,585,000.

Where in the world can you find a settled, thriving international business community with a boundless future? London? Paris? New York? Amsterdam? Frankfurt? Brussels? Zurich? Tokyo? Vienna?

It is the Traditional East/West crossroads and joining in stature everyday, OPEC are there also IBM and all the major multi-national companies. Can you afford not to be amongst the world leaders? We can offer you the brilliant new Galaxie, one of the world's finest office blocks, with 16 storeys and underground parking for 220 cars.

All enquiries to: The Oldham Estate Company Ltd, 7 Cleveland Row, St. James's, London SW1A 1DB, England. Telephone 01-930 3514 Telex 919377

Muirhead up to £0.9m midway Sketchley jumps 35% to £4.9m at year-end

TAXABLE profits of Muirhead, manufacturer of electro-mechanical devices and communications equipment, rose from £552,000 to £831,000 in the half-year to March 31, 1979. Sales stood at £11,04m against £10,05m.

Atkins Bros. expands to £709,000 A STRONG second half lifted taxable profits of Atkins Brothers (Hosiery) from £31,742 to £708,835 in the year to March 31, 1979.

WIGHAM/SEASCOPE TALKS END Talks between Wigham Poland, the Lloyd's of London insurance broker, and Sir James Goldsmith's Anglo Continental company holds a controlling stake, and Seascope, another Lloyd's broker, which could have led to a merger have now been discontinued.

IRISH OIL SUSPENDED Shares of Irish Oil and Cake Mills were suspended yesterday after the company's request pending an announcement.

CLIFFORD'S DAIRIES PURCHASE Clifford's Dairies has purchased Richardson's Dairies of Leicester for £217,454, satisfied by the issue of 100,000 Clifford's "A" non-voting shares at 60p and £157,454 cash.

C. T. BOWRING C. T. Bowring and Co. has issued 9,663 ordinary shares, being a further tranche of the consideration for the acquisition of Schofields (Holdings).

Jackson Gp. down to £434,769 WITH LOSSES at a subsidiary, Jackson Group, the construction and industrial services concern, ended 1978 with pre-tax profits down from £504,374 to £424,789.

Priest Marians little changed at 8 months Pre-tax profits of Priest Marians Holdings were virtually unchanged at £17,000, against £17,500, in the eight months to December 31, 1978, on turnover up from £355,000 to £451,000.

Greenbank Industrial Holdings - E. Williams has disposed of 23,500 shares making holding 1,828,352 (7.33 per cent).

W.M. SINCLAIR ACQUISITION William Sinclair Holdings, whose shares are dealt in under rule 163 (2), is paying £318,000 for Dickson Brown and Tait, agricultural and horticultural seedsmen, based at Timperley (Cheshire) with a subsidiary in Scotland.

Greenbank Industrial Holdings - E. Williams has disposed of 23,500 shares making holding 1,828,352 (7.33 per cent).

Greenbank Industrial Holdings - E. Williams has disposed of 23,500 shares making holding 1,828,352 (7.33 per cent).

BOARD MEETINGS TODAY Interim: Buffaloesmen Gold Mining, Buco Dean, Carr's Milling, Comet Radiovision, McCoquigle, Shelling Trust, Sulloway Gold Mining, Theobald W. Ward.

At mid-year pre-tax profits were up from £1.5m to £2.79m. In the current year sales of all divisions for April and May are ahead of the comparable period last year, and the directors are looking for a further progress.

As a result of the £2.2m rights issue last July the group operated with a cash surplus for most of the second half and net interest charges fell from £269,000 to £49,000.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

There are no surprises in Sketchley's full-year results. Profits are 35 per cent higher with the second-half slowdown reflecting increased revenue expenditure of roughly £200,000 on the new Basinstoke workwear processing factory, setting up the new safety wear business and the preparatory expenses for the future cleaning contract with the National Coal Board.

46% rise for Dublin Bank

A NEAR 46 per cent profit increase is announced by City of Dublin Bank. The pre-tax surplus went ahead from £38,000 to £21,000 in the half-year to March 31 1979. Last year's total was £742,000.

But Mr. Thomas Kenny, the chairman, points out that the postal dispute delayed the receipt of monies and this affected profits. However the surplus was ahead of budget.

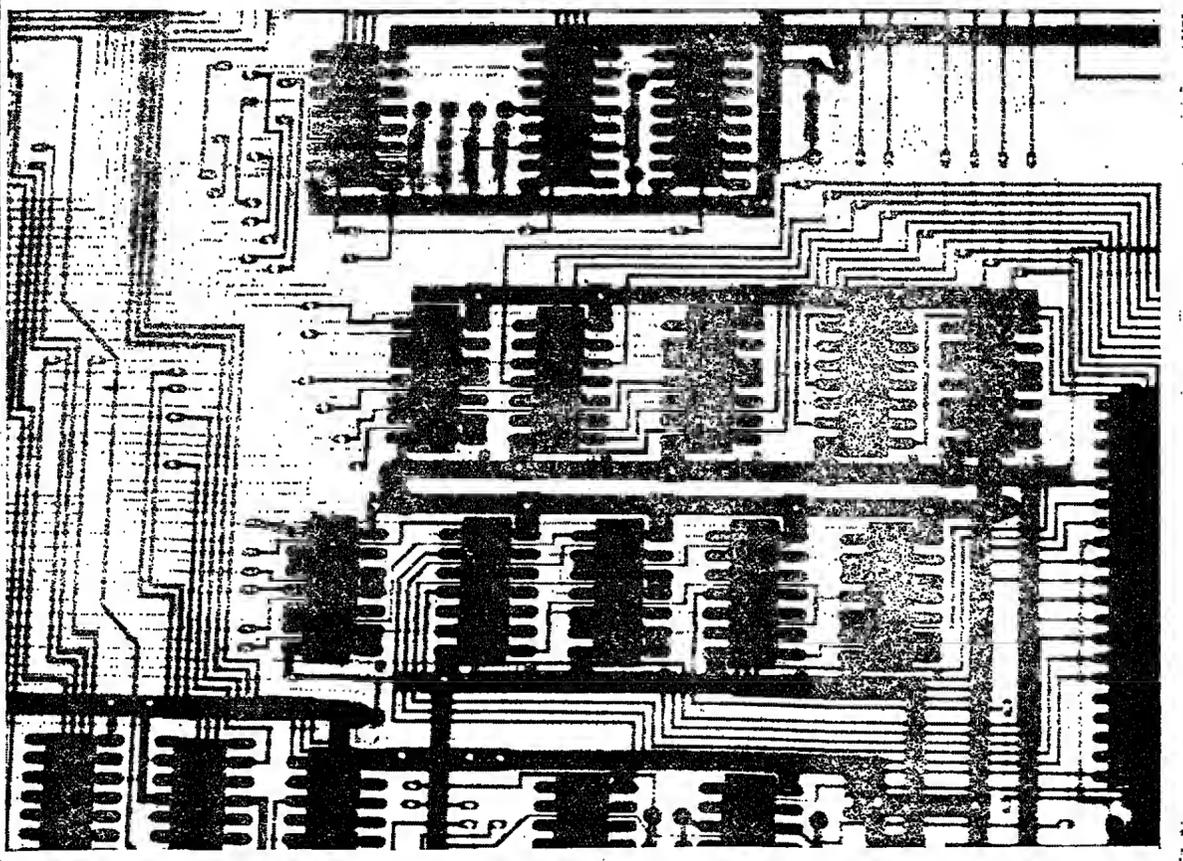
The interim dividend is lifted from 1p gross to 1.25p and stated earnings are from 2.25p to 2.62p.

Mr. Kenny adds that all subsidiaries traded at a profit. He says there is a steady demand for credit but all requests cannot be met because of lending restrictions imposed by the Central Bank. Interest rates, he says, are unacceptably high.

Tax for the period takes £155,000 (£127,000) leaving £236,000 against £162,000. But this time there is £149,000 from the sale of Credit Finance shares which lifts the surplus from £162,000 to £385,000. After dividends totalling £79,000 (£50,000) retained earnings are well ahead from £112,000 to £306,000.

Net current assets are shown to have advanced from £24.5m to £37.4m.

HENLYS Henlys has bought properties in Exeter from Burrows Garage. The Renault franchise, the first granted to the group, will continue to be operated from the premises under the name of Henlys (West).



When it comes to reporting world markets this is how our mind works

The printed circuit board is integral to developments in computers and communications. Reuters has invested large sums to provide over 10,000 clients in more than 100 countries with one of the most sophisticated worldwide computer networks, to ensure that they receive the first class service they rightly demand.

For example, in 1978 we moved into a new London Technical Centre, which is one of the most advanced computer centres in the world. This year we are doubling the capacity of the communications we use internationally to carry stock and commodity market prices, so that we can increase speed and volume.

Our trunk circuits operate at an average 99.25% reliability. We are now duplicating our main communications network to make our services even more reliable. You may not have fully appreciated until now the strength of our communications support, but you should find it reassuring.



World markets as they move

INTERNATIONAL COMPANIES and FINANCE

Companies and Markets

NORTH AMERICAN NEWS

Du Pont withdraws from dye business

WILMINGTON — Du Pont plans to withdraw from the dye business by the mid-1980s...

The company said it as a result it will take a charge of \$35m or 24 cents per share...

Du Pont is seeking buyers for the dyes business. It makes dyes at Manati, Puerto Rico...

It will continue to operate its profitable Mexican dyes business, Colquhoun SA de CY. It is in talks on licensing patents and technology...

AMERICAN QUARTERLIES

Table with columns for Quarter, Revenue, Net profits, Net per share for various companies like Fluor, IDEAL TOY, IMASCI.

Dayco looks for boost from European earnings

BY TERRY BYLAND

MR. RICHARD J. JACOB, chairman and chief executive of Dayco Corporation, the manufacturer of rubber, plastic and chemical products...

In addition, a decision is to be made shortly on the possible transfer of Dayco's European headquarters from Paris to the UK.

At present, the UK contributes about 5 per cent to group sales and to earnings, with Europe turning in some 10 per cent of both sales and profits.

Grumman sees improvement

BETHPAGE — Mr. John C. Bierwirth, chairman of Grumman Corporation, predicts that the company's poor first quarter results were a "low point" which will not be indicative of the year.

The company has invested heavily in several new commercial product programmes and "these programmes have got to begin coming through in the near future."

Grumman reported earnings of \$1m or 12 cents a share for its 1979 first quarter, on sales of \$328.8m, compared with \$5.9m or 64 cents a share on sales of \$380.7m.

In 1978, earnings dropped to \$20m or \$2.43 a share on sales of \$1.47bn, from \$32.3m or \$4.04 a share on sales of \$1.41bn in 1977.

Dayco is setting up a UK distribution centre for its power transmission and automotive division and a distribution centre for its Cadillac plastics operation in Warrington New Town.

Mr. Christian saw considerable opportunities for increasing turnover in the European division. Sales at present total around \$60m, incorporating both UK and Continental Europe.

At present, transportation products provide some 29 per cent of both sales and profits of Dayco Corporation. The group supplies numerous engineering and insulating components to the motor industry.

Grumman delivered 20 F-14 fighter planes to Iran in 1978, the last of 80 such jets ordered by that nation. There are no international customers available who could make up for the business that was provided by Iran, said Mr. Bierwirth.

After 1982, Aerospace commentators note, there will be no customers for the F-14 when the last of the 521 aircraft originally scheduled by the U.S. Navy will be delivered.

Mr. Bierwirth attributed the poor showing to the loss of Iran as a customer for its F-14 fighter planes and start-up costs associated with new commercial products.

Grumman delivered 20 F-14 fighter planes to Iran in 1978, the last of 80 such jets ordered by that nation. There are no international customers available who could make up for the business that was provided by Iran, said Mr. Bierwirth.

After 1982, Aerospace commentators note, there will be no customers for the F-14 when the last of the 521 aircraft originally scheduled by the U.S. Navy will be delivered.

Grumman delivered 20 F-14 fighter planes to Iran in 1978, the last of 80 such jets ordered by that nation. There are no international customers available who could make up for the business that was provided by Iran, said Mr. Bierwirth.

After 1982, Aerospace commentators note, there will be no customers for the F-14 when the last of the 521 aircraft originally scheduled by the U.S. Navy will be delivered.

Optimism at Jewel retail group

CHICAGO—Jewel Companies, the Chicago supermarket operator raised earnings by 27 per cent to \$9.10m in the first quarter and expects "good results for the balance of the year."

Sales rose by 4.8 per cent in the first quarter and the company says that the second quarter shows a stronger sales trend.

Last year, share earnings increased from \$2.32 to \$3.59, and earnings of \$3.90 have been projected for the current year by market analysts. The sales projection is for over \$3.85bn, compared with \$3.5bn last time.

The bulk of the group's earnings come from its supermarket operations, and amount to some 69 per cent of present merchandising contributing 21 per cent and other interests 10 per cent.

In the first quarter, total U.S. supermarket sales, including Jewel Food, Buttery, Eisner and Star Markets, rose 5.4 per cent. The group's operating earnings were up slightly from the year ago, despite lower gross margins, particularly on meat sales.

Jewel said that its Oso Drug sales rose 18 per cent in the first quarter. However, OSCO's late 1978 sales programme had reduced margins and affected operating earnings, even in comparison to last year's results which were depressed by Turn-Style operations.

Total U.S. sales in the first quarter were \$18.2m, up from \$17.9m in the 1978 period, which included results of Turn-Style operations—sold last June.

Hutton-Winkler

E. F. Hutton Group has agreed in principle to buy 97,000 shares or about 33 per cent of Winkler Scheid for 18 a share from Mr. Myron D. Winkler, the latter's chairman. Reuter reports from New York, Mr. Winkler, who will resign as board member, will retain about 16,000 shares.

INTERNATIONAL CAPITAL MARKETS Kennecott and GMAC tap Eurodollar bond sector

BY FRANCIS GHILES

TWO NEW dollar denominated issues were announced yesterday, one for Kennecott International NV, the other for General Motors Acceptance Corporation.

The \$100m seven-year hullet bond for Kennecott, guaranteed by the U.S. parent, Kennecott Copper Corporation, is being arranged by Morgan Stanley.

The \$100m ten-year hullet bond for Kennecott, guaranteed by the U.S. parent, Kennecott Copper Corporation, is being arranged by Morgan Stanley.

In the secondary dollar bond market, dollar issues were off slightly for the second day running. Little fresh activity was reported by dealers despite the re-opening of financial centres in Europe after the holiday.

MEDIUM TERM FINANCE Yugoslavia finds better terms

BY OUR EUROMARKETS STAFF

YUGOSLAVIA is scoring success in re-arranging its Euro-market debt so as to improve borrowing terms, in spite of opposition in the international banking community.

A \$300m 10-year credit now being arranged by Barclays Bank International for several Yugoslav State banks will be used to re-arrange past credits on better conditions.

The facility carries a spread of 1 per cent over interbank rates throughout, with a three-year grace period. The two loan co-managers are Societe Generale and Sanwa Bank.

The loan will be used primarily to extend the maturity of several existing credits. These latter facilities, obtained to support heavy industrial projects, generally had maturities of five to 15 years.

GMAC, which is a wholly-owned subsidiary of General Motors, provides financing for General Motors dealers worldwide. It has decided to tap the Eurobond market because the latter is competitive with the U.S. bond market.

Redemption features of this issue include a premium of 1 per cent after two years, 2 per cent after four years and 3 per cent after the fifth year. Initial reaction to both issues was that the terms were tight but that the attraction for investors of U.S. corporate names should ensure a good reception.

In the secondary dollar bond market, dollar issues were off slightly for the second day running. Little fresh activity was reported by dealers despite the re-opening of financial centres in Europe after the holiday.

In the Deutsche Bank issue, a DM 200m ten-year hullet issue for Sweden, with an indicated coupon of 7 per cent, was launched by Dresdner Bank last night. The issue is expected to be priced at 99. Prices of seasoned issues were a little easier in the secondary DM market.

Further confirmation of the rise in domestic German interest rates came with the terms of the new two-tranche bond issue for the Federal Republic. The ten-year tranche carries a coupon of 8 per cent and will yield 8.07 per cent. This is the first time in nearly two and a half years that a yield of over 8 per cent has been offered on a domestic German Government bond.

The yield on the Sweden issue, if it is priced at 99, would be 7.82 per cent. It would thus appear to be tight in the face of the new yield level achieved in the domestic market. But the name of the borrower is a prime one and foreign DM paper remains scarce as this issue may well turn out to be the only foreign DM issue on offer this month.

Like most sovereign borrowers at the moment, Comcon states are continuing to improve the terms on which they obtain fresh Euro-market credits, and a simultaneous refinancing would not affect the bank's profit levels on their East European loans.

A current illustration is that the East German foreign trade bank—Deutsche Ausenhandelsbank—is raising \$200m in the medium-term market on its best terms yet. The credit will command a straight spread of 1 per cent throughout the seven-year life. Toronto Dominion Bank is organising a management group on the basis of eight banks underwriting \$25m each.

Reliance heads for record profit

NEW YORK — The chairman of the Reliance Group, Mr. Saul P. Steinberg, told the annual meeting that earnings and revenue for 1979 will top 1978's operating income of \$8.49 a share earned on revenues of \$1.24bn.

He said that shareholders' equity should be over \$350m for the first time, compared with \$288.5m reported in 1978. Mr. Steinberg said that the company is "well into the underwriting down cycle" of its insurance operations and underwriting earnings will be adversely affected by inflation and increased competition.

However, he said net investment income increasing at a high enough rate to compensate for the lower returns on the company's underwriting business.

Mr. Steinberg said that Reliance's title insurance operations will show only a slight improvement over 1978 because of a decrease in housing starts. The company's CITI International subsidiary expects "moderate improvement over last year's pre-tax operating income of \$36.8m earned on revenues of \$111.5m.

In answer to a shareholder's question Mr. Steinberg said that the company's maximum liability from the Three Mile Island nuclear accident is \$2m. Reuter

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on June 5

Large table with columns for U.S. DOLLAR STRAIGHTS, EUROPEAN MARK STRAIGHTS, SWISS FRANC STRAIGHTS, OTHER STRAIGHTS, CONVERTIBLE BONDS, and YEN STRAIGHTS. Includes columns for Issued, Bid, Offer, Day, and Yield.

Advertisement for Manufacturers Hanover Overseas Capital Corporation. Includes logo, company name, guaranteed financing rate notes due 1994, and a list of member banks from various countries.

Handwritten signature or mark at the bottom center of the page.

INTERNATIONAL COMPANIES and FINANCE

RENAULT IN PORTUGAL

Injecting new life into a weak industry

BY JIMMY BURNS IN LISBON

RENAULT'S AGREEMENT with the Portuguese government... The agreement provides for a 400m expansion programme...

Significantly, the signing of the Renault agreement has coincided neatly with the drafting of new government legislation for the Portuguese motor industry...

Portugal's lagging motor industry should be given a new lease of life by Renault's major investment plans. Their announcement coincides neatly with the drafting of new government legislation...

government protection; the development of new assembly and components plants which are judged to be "technologically advanced" and firmly integrated into the European productive structure...

Sharp rise at BSN-Gervais Danone

OUTSTANDING performance by the expanding food division of BSN-Gervais Danone... The restructuring has been financed by exceptional charges included in last year's loss figure...

W. German state loan set at 8%

THE WEST GERMAN Government is to borrow DM 1.5bn on the long term capital market through a further issue of six and ten-year bonds. The move lifts coupons on ten-year state bonds to 8 per cent for the first time since October, 1976...

RSV given final offer of aid

THE DUTCH Government yesterday revealed its second rescue plan for the loss-making shipbuilding concern. Rijn-Schelde-Voerlinde (RSV) making it clear that this was the last time it would help the company...

MAN keeps its eyes on the U.S. lorry market

WEST GERMAN truck manufacturer Maschinenfabrik Augsburg-Nürnberg (MAN) said today that the company's re-expansion into the U.S. set had not been ruled out...

Swiss engineer stays heavily in the red

LAST YEAR was one of the worst ever for the Swiss steel and engineering concern, Von Roll, according to Herr Heinz W. Freuch, the managing director. The net loss in 1978 was SwFr 17m (\$9.8m)...

Plans to sit on Robintech stake

ROBERT W. BAIRD & Co., a German company, has decided not to take up options to have additional shares in the manufacturer Robintech. The company is already the largest shareholder in Robintech...

Public issue by Danish builder

SIIL civil engineer, Christian Nielsen, is to raise its capital by Dkr 4.5m by offering shares for public subscription for the first time. The shares will be quoted on the Copenhagen Stock Exchange...

\$50,000,000 Société Financière pour les Télécommunications et l'Electronique S.A. Guaranteed Floating Rate Notes 1984

中國銀行 BANK OF CHINA Incorporated in the People's Republic of China with its Head Office in Peking...

NEW ISSUE U.S. \$150,000,000 Manufacturers Hanover Corporation Floating Rate Notes Due 1987 Convertible Prior to May 1, 1986 into 8 3/4% Debentures Due 2009

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

Since 1945, Tadao Yoshida has developed his YKK zip fastener business from cottage industry to a level of automation where 500 workers at his Toyama plant produce 350,000 kilometres of fasteners a year.

How YKK hit the jackpot

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

YKK (Yoshida Kogyo Kaisha) is a Japanese company which seems to have hit the jackpot by breaking most of the accepted rules of how to run a business in Japan.

single-handed at what was then the cottage industry business of fastener making.



Mr. Tadao Yoshida, president of YKK, plans for more diversification

Not only that, but YKK has also shot to the top position in the fast growing and highly competitive Japanese market for aluminium window frames and building materials.

YKK's Toyama manufacturing process starts with the smelting of aluminium alloys for metal fasteners, and from the spinning and weaving of raw cotton (which Mr. Yoshida says YKK can do at a cost below that of buying spun or woven material from the Japanese textile makers).

Mr. Yoshida went into zip fasteners because a bankrupt trading company he was working for in the early thirties happened to have a large stock of them when it failed and he was given the job of disposing of the surplus.

The manufacture of metal fasteners themselves at the Toyama plant employs 500 people whose annual output is an estimated 350,000 kilometres of fasteners, approximately 700 kilometres per person each year.

Mr. Yoshida's ability to keep on designing and producing new machinery for ever greater manufacturing automation, YKK makes 1,000 machines a month from a special section

of the Toyama works, but neither sells machines nor automation technology to other manufacturers.

What this means is that the U.S. is the only country in which YKK can seriously contemplate duplicating the integrated production facilities it has in Japan.

YKK's global sales today are worth nearly \$2bn, making it one of the largest privately-owned or semi-private-owned companies in Japan.

It so happens the West German market is just about that size," he adds, "but of course we couldn't expect 100 per cent of the market."

YKK's global sales today are worth nearly \$2bn, making it one of the largest privately-owned or semi-private-owned companies in Japan.

Ship repairs came to ¥5.17bn, up from the previous year's ¥4.72bn. Of the total sales, exports accounted for ¥16.2bn, down from ¥28.09bn.

Hakodate Dock loss almost trebled

TOKYO — Hakodate Dock Company, the Japanese builder of small and medium-sized ships, almost trebled its loss in the year to March 31, to ¥38.57bn (\$176m) from the previous year's ¥13.75bn.

Sales during the past year declined by 23 per cent, from ¥38.99bn to ¥30.04bn (\$187m).

Ship repairs came to ¥5.17bn, up from the previous year's ¥4.72bn. Of the total sales, exports accounted for ¥16.2bn, down from ¥28.09bn.

Hong Leong is well ahead

BY GEORGIE LEE IN SINGAPORE

HONG LEONG FINANCE, the largest Singapore finance company, has turned in a strong performance for the year to December 1978 with group post-tax profit rising sharply, by 34 per cent to S\$5.94m (U.S.\$2.69m).

In his statement to shareholders, Mr. Kwok Hoog Fung, the chairman, indicated that a Rights issue is in the offing to bring its ratio of total investments to paid-up capital and published reserves within the limit stipulated in the Finance Companies Act.

This is the result of Hong Leong's successful takeover earlier this year. Hoog Leong now owns 96 per cent of Singapore

Finance's issued capital and is proceeding with compulsory acquisition of the remaining shares.

The group has declared a gross dividend of 12 per cent, 50 per cent higher than the previous year's payment after adjusting for the one-for-two bonus issue last year.

Total time and saving deposits reached S\$218m, 2 per cent higher than a year earlier, while loans expanded by almost 12 per cent to S\$189m.

Assets as at the end of last year totalled S\$257.5m, 20 per cent above the previous year's figure.

With the acquisition of Singapore Finance, Hoog Leong now has a branch network of 16 offices in Singapore.

Lombard Insurance makes gain after restatement

BY ANTHONY ROWLEY IN HONG KONG

LOMBARD Insurance Company, the general and life insurance group based in Hong Kong, and a wholly-owned subsidiary of Jardine Matheson and Co., increased net profits by 22 per cent to HK\$ 15m (U.S.\$2.9m) last year, after restating the 1977 accounts to reflect changes in accounting practice on depreciation and foreign exchange.

weakness of the Hong Koo dollar.

Lombard's underwriting results were mixed in 1978, with the fire and accident surplus showing a sharp decline from HK\$ 4.5m to HK\$ 1.44m, while marine, aviation and transport turned round from a deficit of HK\$ 797,000 in 1977 to a surplus of HK\$ 1.7m.

The underwriting result in the life division was HK\$ 3.4m surplus, again HK\$ 1.1m in 1977.

Investment income rose to 8.6 per cent to HK\$ 16.4m, of investments which totalled HK\$ 255m in 1978.

Saudi fund lends \$30m to Malaysia

By Wang Suiling in Kuala Lumpur

THE MALAYSIAN Government has obtained two loans, totalling U.S.\$30m from the Saudi Fund for Development, to finance in part a large land development scheme and for building five science colleges for Malay students.

The first loan, of U.S.\$23m would be used to open up 44,000 acres of jungle at Lepur Utara, in Pahang State, for palm oil and cocoa cultivation. It would be managed by the Federal Land Development Authority, which would restate 4,400 landless farmers to the scheme.

The loan is for 25 years, with a 4 per cent annual interest rate. The second loan for the science colleges is also for 25 years, with an annual interest rate of 2 per cent.

Dead Sea Works rise helped by higher prices

BY L. DANIEL IN TEL AVIV

ALTHOUGH the Dead Sea works exported 100,000 tonnes of potash less in fiscal 1978-79 (1m tonnes) than in the preceding 12 months, income grew marginally to \$65m due to an improvement in prices, it was reported by the company, which is 88 per cent controlled by the Government (the remaining 2 per cent are traded on the Tel Aviv exchange).

100,000 tonnes a month and the company holds substantial stocks. Nevertheless, it has been considering an expansion programme designed to increase output by between 500,000 and 900,000 tonnes per year. The plan will now be re-examined in the light of the Government's decision to link future loans industry to the cost-of-living index.

Bonus-cum-rights for Yeo Hiap Seng

BY OUR SINGAPORE CORRESPONDENT

YEO HIAP SENG, the major food and beverage manufacturer and soft drinks bottler in Singapore and Malaysia, has announced a bonus-cum-rights issue.

The company has proposed a scrip issue of one share for every three held and a rights issue, also on a one-for-three basis, at S\$2.25 per new share. This price compares with a subsequent market one of S\$4.46.

The bonus-cum-rights issue will raise the company's issued capital to S\$25.82m (US\$11.73m).

Yeo Hiap Seng said that the rights issue which will result in a fresh injection of S\$11.6m will be used to finance development of a four-floor factory on its existing site. The factory building, including plant and machinery, will cost S\$10m.

The construction of the new factory will begin in the third quarter this year and is

expected to be completed by December, 1980.

The bonus-cum-rights issue announcements follow the group's disclosure of a strong upsurge in its performance during its half year to March 1979.

Group pre-tax profit for the six-month period rose by 23.3 per cent to S\$4.2m while net sales went up by 22 per cent to S\$24.7m, spurred on largely by strong export sales.

Yeo Hiap Seng has declared an interim gross dividend of 10 per cent. The company also stated that it is confident that it will be able to recommend a final gross dividend of 5 per cent on the enlarged capital of 25.82m

shares of S\$1 par for the current year ending September 1979.

After adjusting for the proposed capital change, this means that the expected total dividend for 1979 will amount to 11 per cent compared with 9 per cent in 1978.

Yeo Hiap Seng Berhad, the Malaysian subsidiary of the Singapore drinks and food processors, is keeping up with its solid growth with half year profits, ended March, up 40 per cent to 4.5m (US\$ 2.02m), writes Wong Suiling from Kuala Lumpur.

The improved results were due mainly to a 42 per cent rise in sales to 35m management.

ALLEN HARVEY & ROSS INVESTMENT MANAGEMENT LTD. 45 Cornhill, London EC3V 3PB. Tel: 01-623 6314. Index Guide as at May 31, 1979. Capital Fixed Interest Portfolio 114.80. Income Fixed Interest Portfolio 105.00.

Advertisement for Occidental International Finance N.V. featuring US \$50,000,000 in 10 1/4% Guaranteed Notes due 1984, unconditionally guaranteed as to payment of principal, premium, interest, and dividends by Occidental Petroleum Corporation. Lists various international banks and financial institutions.

Advertisement for Citibank, N.A. announcing the opening of a branch in Madrid, Spain. Contact information for Peter Schuring, Vice-President and General Manager for Spain and Portugal.

Handwritten signature or mark at the bottom center of the page.

CURRENCIES, MONEY and GOLD

Dollar firm

The dollar and sterling gained ground in the foreign exchange market yesterday, finishing around the best levels of the day against most major currencies. The dollar fell to DM 1.8075 against the D-mark in the morning, but improved to DM 1.8165 in the afternoon, before closing at DM 1.8190.

On Bank of England figures, the dollar's trade-weighted index rose to 87.0 from 86.9, while its trade-weighted depreciation, as calculated by Morgan Guaranty of New York, narrowed to 6.8 per cent from 6.7 per cent.

Sterling's index, according to the Bank of England, rose to 76 from 75.7, after standing at 77 at noon and 77.8 in the morning. The pound opened at 2.0775-2.0785, and touched a low of 2.0770-2.0780 in the morning, then rose to 2.0815-2.0825 in the afternoon, and closed at 2.0800-2.0810, a rise of 27 points in the day.

FRANKFURT—The fixing of the Belgian franc and Danish krone was slightly delayed yesterday amid speculation that both currencies would need support from the Bundesbank to keep them within the agreed limits of the European Monetary System. On Friday the German authorities bought Bfr 87m and Dkr 800,000 to support the franc and krone,

but yesterday both were fixed without official intervention. The Belgian franc was fixed at DM 6.223 per 100 francs, slightly above its intervention point of DM 6.221, while the Danish krone was also slightly above its floor of DM 34.645, at DM 34.680 per 100 kroner.

The Bundesbank did not intervene when the dollar was fixed at DM 1.8091 against the D-mark, compared with DM 1.8151 previously. Trading was quiet. BRUSSELS—The Belgian franc remained at its floor against the D-mark for the sixth consecutive trading day yesterday, despite the Belgian National Bank's move to increase rates on short-term Treasury certificates. There was no intervention by the central bank when the Belgian currency was fixed at its lower intervention rate of DM 10.6740.

The franc gained ground against other EMS currencies except the Dutch guilder and Danish krone. The French franc fell to Bfr 6.9475 from Bfr 6.9515 on Friday, compared with an intervention level of Bfr 6.9600.

MILAN—The dollar lost ground against the lira in slow trading, while EMS currencies were slightly firmer. The result of the Italian general election had no impact on the lira. The dollar fell to L.8275 from L.8445, while the D-mark rose to L.446.75 from L.448.35, and sterling was little changed at L.1.774, compared with L.1.775.10 the previous day.

TOKYO—The dollar fell to ¥219.75 against the yen at the close, from ¥220.35 on Monday. It opened at ¥219.40, and fell to a low of ¥218.65 in early trading, before buying for import settlements helped the U.S. currency to recover towards the close.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % p.a., Three months, % p.a. Rows include U.S., Canada, Holland, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Yensu, Swiss.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, % p.a., Three months, % p.a. Rows include UK, Ireland, Canada, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, Sweden, Japan, Yensu, Swiss.

CURRENCY RATES

Table with columns: Bank, Special Drawing Rights, European Currency Unit, June 4, June 5. Rows include Sterling, U.S. dollar, Canadian dollar, Austrian schilling, Japanese yen, etc.

CURRENCY MOVEMENTS

Table with columns: Bank of England, Morgan Guaranty, Index, changes %.

OTHER MARKETS

Table with columns: June 5, Note Rates. Rows include Argentina Peso, Australia Dollar, Brazil Cruzeiro, etc.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU amounts, % change from central, % change adjusted for divergence, Divergence Unit %.

EXCHANGE CROSS RATES

Table with columns: June 5, Pound Sterling, U.S. Dollar, Deutschmark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: June 5, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

INTERNATIONAL MONEY MARKET

Belgian rates firmer

Interest rates in Belgium continued to harden yesterday, and the authorities announced a 1/2 per cent rise in one, two and three-month Treasury certificates, with rates now standing at 8 1/2 per cent, 9 per cent and 9 1/2 per cent respectively. The interest rate on the four-month bond-fund paper was also increased, rising from 11.5 per cent to 12.0 per cent at yesterday's weekly auction. However, market sources tended to rule out the possibility of any rise in the discount rate after today's Central Bank council meeting, although within the EMS, the Belgian franc failed to show any reaction to the rises and was quoted at its floor level against the D-mark.

Interest rates in Belgium continued to harden yesterday, and the authorities announced a 1/2 per cent rise in one, two and three-month Treasury certificates, with rates now standing at 8 1/2 per cent, 9 per cent and 9 1/2 per cent respectively. The interest rate on the four-month bond-fund paper was also increased, rising from 11.5 per cent to 12.0 per cent at yesterday's weekly auction. However, market sources tended to rule out the possibility of any rise in the discount rate after today's Central Bank council meeting, although within the EMS, the Belgian franc failed to show any reaction to the rises and was quoted at its floor level against the D-mark.

UK MONEY MARKET

Full credit supply

Bank of England Minimum Lending Rate 12 1/2 per cent (since April 5, 1979). Day to day credit proved to be in good supply in the London money market yesterday, and the authorities sold a small amount of Treasury bills all direct in the discount houses in an effort to mop up the surplus. However after paying 11 1/2

per cent for secured call loans during the early part of the day, closing balances were taken by the houses down to 10 per cent. The market was faced with a small net take up of Treasury bills and banks brought forward balances a small way below target. On the other hand Government disbursements exceeded revenue transfers to the Exchequer by a small amount and there was a small sum in respect of customer

LONDON MONEY RATES

Table with columns: June 5 1979, Sterling, Local Authority, Local Authority, Finance Deposits, Discount, Treasury, Eligible, Fine Trade.

Local authority and Finance Deposits seven days' notice over seven days' fixed at 11 1/2 per cent. Local authority mortgage rates nominally three years 12 1/2 per cent, four years 12 1/2 per cent, five years 12 1/2 per cent. Bank bill rates in 1 1/2 per cent. Approximate selling rate for one-month Treasury bills 11 1/2-11 3/4 per cent; two-month 11 1/2-11 3/4 per cent; three-month 11 1/2-11 3/4 per cent; six-month 11 1/2-11 3/4 per cent; one year 11 1/2-11 3/4 per cent.

GOLD Record level

Gold rose \$4 to a record closing level of \$278.2791, in moderate trading. It opened at \$273.2781, and was fixed at \$273.75 in the morning and \$274.75 in the afternoon, before buying interest from New York pushed up the price towards the London close. In Paris the 12 1/2 kilo gold bar was fixed at FF 41,900 per kilo

Table with columns: June 5, June 4. Rows include Gold Bullion (fine ounce), Gold Coins, domestic, Kruggerand, New, Sovereigns, Old, etc.

MONEY RATES

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN. Rows include Prime Rate, Fed Funds, Treasury Bills, etc.

Barclays Bank International Limited has acquired through merger American Credit Corporation. We acted as financial advisor to Barclays Bank International Limited in this transaction. Goldman, Sachs & Co. New York Boston Chicago Dallas Detroit Houston Los Angeles Memphis Miami Philadelphia St. Louis San Francisco International subsidiaries: London Tokyo Zurich May 31, 1979

Pennsylvania Life Company is now PennCorp Financial, Inc. and will trade on the NYSE. Our Company has grown both in size and scope. Its new name, PennCorp Financial, Inc., reflects more closely the broadened base of its financial activities and interests. And for the benefit of present and future investors in our Company the shares of its common stock and its 1997 Senior Sinking Fund Debentures are now traded on the New York Stock Exchange. The symbol to look for is PCF. Quotations will appear in NYSE Composite Transaction Tables in newspapers under the designation PennCorp. Here are some facts about our Company: PennCorp Financial, Inc. is an insurance and savings and loan holding company with five life insurance subsidiaries, one casualty insurance company, a national chain of insurance agencies and brokers and a savings and loan association. For 1978 the Company reported revenues of \$326.9 million, after-tax profits from operations of \$26.7 million, net income of \$26.3 million and total assets of \$1.6 billion. Profits for the 1979 first quarter were \$6.9 million, up 40% from a year ago. The Company conducts its insurance businesses throughout the United States and Canada. The savings and loan operation, Houston First Savings Association, is based in Houston and is the fourth largest in Texas. Its acquisition of American Savings and Loan Association of Houston, when consummated, will increase the Company's savings and loan assets to over \$1.1 billion and total branches to 32. PennCorp Financial's Principal Subsidiaries: PENNSYLVANIA LIFE INSURANCE COMPANY, HOUSTON FIRST SAVINGS ASSOCIATION, MASSACHUSETTS INDEMNITY AND LIFE INSURANCE COMPANY, PENN GENERAL AGENTIES INC., WILLIAM PENN LIFE INSURANCE COMPANY OF NEW YORK, EXECUTIVE FUND LIFE INSURANCE COMPANY, TRANS PACIFIC LIFE INSURANCE COMPANY, BANKERS AND SHIPPERS INSURANCE COMPANY, PENNSYLVANIA SECURITIES COMPANY. Total Assets (\$ Millions), Total Revenues (\$ Millions), Net Income (\$ Millions), Equity Per Share (\$ Dollars). Look for the PCF symbol. PennCorp Financial, Inc. Executive Offices: 3130 Wilshire Blvd., Santa Monica, California 90406

EUROBONDS

The Association of International Bond Dealers Quotations and Yields appears monthly in the Financial Times. It will be published in an eight-page format on the following dates in the remainder of 1979: June 12, July 9, August 13, September 10, October 15, November 12, December 10.

HIRE AIR CONDITIONING Offices-Shops-Restaurants-Factories ANDREWS & 01-648 6174 OR SEE YELLOW PAGES

LONDON STOCK EXCHANGE

Companies and Markets

Further call on investment funds adds to equity malaise while banking statistics cause uneasiness in Gilts

Account Dealing Dates
Option
First Declared Last Account
Dealing Dates
May 21 May 31 June 1 June 12
June 4 June 14 June 15 June 26
June 15 June 28 June 29 July 10

secondary equities but the scene overall reflected the continuing wait-and-see attitude of investors in regard to the Chancellor's budget proposals next Tuesday. The FT 30-share index was 2.6 off at the first calculation, 3.0 off at 3 pm and finally only 1.5 lower at 5.09.3 with about a half of the closing fall accounted for by the reaction in Grand Metropolitan which, after opening 10p down, steadied to settle 8p cheaper on balance at 143p.

marked down to 460p in initial reaction to the disappointing profits before rallying to close 11 up on balance at 488p on consideration of the accompanying statement on dividend policy. Neil and Spencer continued firm at 204p, up 8, while Valpo, on buying in 2 1/2 market ahead of preliminary results due on June 14. Ricardo improved 8 further to 350p as did ICL to 485p, while Lawtex firmed 5 to 66p. William Press touched 22a before closing at a penny cheaper on balance at 25p in reaction to notification of intended prosecutions by the Inland Revenue for alleged tax offences. The leaders again displayed no set trend in quiet trading with Unilever up 4 at 612p but Pilkington that much lower at 350p.

marked down to 460p in initial reaction to the disappointing profits before rallying to close 11 up on balance at 488p on consideration of the accompanying statement on dividend policy. Neil and Spencer continued firm at 204p, up 8, while Valpo, on buying in 2 1/2 market ahead of preliminary results due on June 14. Ricardo improved 8 further to 350p as did ICL to 485p, while Lawtex firmed 5 to 66p. William Press touched 22a before closing at a penny cheaper on balance at 25p in reaction to notification of intended prosecutions by the Inland Revenue for alleged tax offences. The leaders again displayed no set trend in quiet trading with Unilever up 4 at 612p but Pilkington that much lower at 350p.

marked down to 460p in initial reaction to the disappointing profits before rallying to close 11 up on balance at 488p on consideration of the accompanying statement on dividend policy. Neil and Spencer continued firm at 204p, up 8, while Valpo, on buying in 2 1/2 market ahead of preliminary results due on June 14. Ricardo improved 8 further to 350p as did ICL to 485p, while Lawtex firmed 5 to 66p. William Press touched 22a before closing at a penny cheaper on balance at 25p in reaction to notification of intended prosecutions by the Inland Revenue for alleged tax offences. The leaders again displayed no set trend in quiet trading with Unilever up 4 at 612p but Pilkington that much lower at 350p.

FINANCIAL TIMES STOCK INDICES
Table with columns for indices (Government Secs, Fixed Interest, Industrial, Gold Mines, etc.) and values for June 6, 5, 4, 3, 2, 1, and a year ago.

HIGHS AND LOWS
Table with columns for High, Low, and S.E. ACTIVITY (Daily, 5-dy Av'ge, etc.)

NEW HIGHS AND LOWS FOR 1979
Table with columns for New Highs and New Lows for 1979, listing various stocks and their prices.

LONDON TRADED OPTIONS
Table with columns for Option, Ex'cise, Closing, Offer, Vol., and Equity close. Includes sub-tables for August, November, and February.

Lee Cooper rises
Secondary Stores moved higher in places particularly Lee Cooper which jumped 13 to 275p on a resurgence of speculative buying in the market. Still reflecting bid bones, Moss Bros. added 10 more to 290p, while Bamber's put on 4 to 160p and Execentex 3 to 72p. Comment on the good interim results helped Bamber's rise to 20p in response to the impressive preliminary figures. Around 5 easier in front of the preliminary results, De La Rue were

marked down to 460p in initial reaction to the disappointing profits before rallying to close 11 up on balance at 488p on consideration of the accompanying statement on dividend policy. Neil and Spencer continued firm at 204p, up 8, while Valpo, on buying in 2 1/2 market ahead of preliminary results due on June 14. Ricardo improved 8 further to 350p as did ICL to 485p, while Lawtex firmed 5 to 66p. William Press touched 22a before closing at a penny cheaper on balance at 25p in reaction to notification of intended prosecutions by the Inland Revenue for alleged tax offences. The leaders again displayed no set trend in quiet trading with Unilever up 4 at 612p but Pilkington that much lower at 350p.

marked down to 460p in initial reaction to the disappointing profits before rallying to close 11 up on balance at 488p on consideration of the accompanying statement on dividend policy. Neil and Spencer continued firm at 204p, up 8, while Valpo, on buying in 2 1/2 market ahead of preliminary results due on June 14. Ricardo improved 8 further to 350p as did ICL to 485p, while Lawtex firmed 5 to 66p. William Press touched 22a before closing at a penny cheaper on balance at 25p in reaction to notification of intended prosecutions by the Inland Revenue for alleged tax offences. The leaders again displayed no set trend in quiet trading with Unilever up 4 at 612p but Pilkington that much lower at 350p.

marked down to 460p in initial reaction to the disappointing profits before rallying to close 11 up on balance at 488p on consideration of the accompanying statement on dividend policy. Neil and Spencer continued firm at 204p, up 8, while Valpo, on buying in 2 1/2 market ahead of preliminary results due on June 14. Ricardo improved 8 further to 350p as did ICL to 485p, while Lawtex firmed 5 to 66p. William Press touched 22a before closing at a penny cheaper on balance at 25p in reaction to notification of intended prosecutions by the Inland Revenue for alleged tax offences. The leaders again displayed no set trend in quiet trading with Unilever up 4 at 612p but Pilkington that much lower at 350p.

RISES AND FALLS YESTERDAY
Table with columns for Rises and Falls Yesterday, listing various stocks and their price changes.

APPOINTMENTS

Board posts at Berwick Timpo

Three managing directors of trading companies in the Berwick Timpo group have joined the board of the parent company and continue to hold their present positions. They are Mr. Peter Craig, managing director of Peter Pan Playthings; Mr. Ken Simmonds, managing director of Berwick's Toy Company; and Mr. Keith Towns, managing director of Harburt's Pharmacy. In addition, Mr. Anthony Hill, a solicitor, experienced with industrial companies, has become a non-executive director of Berwick Timpo.

OPTIONS

Table with columns for DEALING DATES, DEAL-DECLARA, SETTLEMENT, and various stock options.

RECENT ISSUES

Table with columns for Issue Price, Amount, and various recent issues.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Amount, and various fixed interest stocks.

"RIGHTS" OFFERS

Table with columns for Issue Price, Amount, and various rights offers.

ACTIVITY STOCKS

Table with columns for Denomination, Closing, Change, and various activity stocks.

RECENT ISSUES

Table with columns for Issue Price, Amount, and various recent issues.

FIXED INTEREST STOCKS

Table with columns for Issue Price, Amount, and various fixed interest stocks.

"RIGHTS" OFFERS

Table with columns for Issue Price, Amount, and various rights offers.

FT-ACTUARIES SHARE INDICES

Table with columns for EQUITY GROUPS & SUB-SECTIONS, and FIXED INTEREST PRICE INDICES, listing various actuarial indices.

COMMODITIES AND AGRICULTURE

Bacon importers 'plunder' UK market

BY CHRISTOPHER PARKES

ICE-CUTTING importers are vying out of a handsome share of the British bacon market...

French boost nickel

By Our Commodities Staff

THE FRENCH refiner, Le Nickel, yesterday raised its ferronickel prices by 36.5 cents a pound...

Coffee price boom runs out of steam

By Richard Mooney

THE COFFEE price upsurge resulting from last week's Brazilian frost showed signs of running out of steam yesterday...

Farmers plant more wheat

By Our Commodities Staff

WHEAT PLANTINGS in England and Wales during 1979 are likely to be about eight per cent higher than last year...

GREEK AGRICULTURE

Many flaws in a fragile structure

By Christopher Parkes

THE GREEK Government has over-reached itself attempting to support and restructure its agricultural industry...

their own marketing, processing and credit. But the social insurance cover of the industry seems to present greater problems...

insurance of the Common Agricultural Policy, olive oil producers and wine growers may be tempted to return to trees and vines and take advantage of intervention support buying for their produce...

Protest to Walker

CON INDUSTRY leaders tested to Mr. Peter Walker, Minister of Agriculture, yesterday at the "ghastly erosion" of the UK market by imports...

would move into irretrievable decline. The bacon trade absorbs about two-thirds of all British pig production...

Floods ruin pastures

THE Wessex Water Authority estimates that 40,000 acres of land in Somerset have been under water in the past week...

ing to the survey results, with spring plantings down 19 per cent. The Authority's survey questionnaire was sent out to some 3,600 farmers...

ing to the survey results, with spring plantings down 19 per cent. The Authority's survey questionnaire was sent out to some 3,600 farmers...

South African wool profits in jeopardy

FINANCIAL TIMES REPORTER SOUTH AFRICA'S wool farmers were in a "cost squeeze" and unless prices increased steadily...

unless there is some expectation that future market prices will absorb rising costs and provide reasonable remuneration for the producer...

(AWC) chairman, told the conference wool price increases in the past four months, following the excellent climatic conditions of the past year...

BRITISH COMMODITY MARKETS

Table with columns for various commodities like Tin, Copper, Lead, Zinc, Nickel, Silver, Gold, and Wheat, showing prices and changes.

COFFEE

Table showing coffee prices for various types like Arabica and Robusta, with columns for price and change.

RUBBER

Table showing rubber prices for different grades like SRI and RSS, with columns for price and change.

PRICE CHANGES

Table listing price changes for various commodities like Metals, Grains, and Oils.

AMERICAN MARKETS

Table showing American market prices for commodities like Cocoa, Cotton, and Wheat.

INSURANCE BASE RATES

Table showing insurance base rates for different categories like Property Growth and Fire.

STAFF DROWNING IN A SEA OF PAPERWORK?

Is your trading suffering from too much paperwork and out-of-date information? We have developed, in conjunction with a leading U.K. Software House, a computerised commodity trading system...

WHEAT

Table showing wheat prices for various types like Hard and Soft, with columns for price and change.

GRAINS

Table showing grain prices for various types like Corn and Soybeans, with columns for price and change.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types like Beef and Pork, with columns for price and change.

EUROPEAN MARKETS

Table showing European market prices for commodities like Wheat, Cotton, and Oil.

EDUCATIONAL

Advertisement for International Summer Camp MONTANA, featuring text about sports, swimming, and skiing, along with contact information.

COTTON

Table showing cotton prices for various types like Upland and Pima, with columns for price and change.

SOYBEAN MEAL

Table showing soybean meal prices for various types like 48% and 50%, with columns for price and change.

INDICES

Table showing various financial indices like Dow Jones and FTSE 100.

WOLFF FUTURES

Table showing Wolff futures prices for various commodities like Wheat and Cotton.

BE Bifurcated Engineering

RIVETING SYSTEMS PARTS FEEDING & ASSEMBLY SYSTEMS OTHER AIDS TO INCREASED PRODUCTIVITY AND TO THE GUIDE TO THE BE GROUP

Bifurcated Engineering Ltd.
P.O. Box 2, Wandeville Rd., Aylesbury,
Bucks HP21 8AB. Tel: Aylesbury (0294) 5911

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

| High | Low | Stock | Price | % Chg | Yield | Div | Div Yr | Div Pct |
|------|-----|------------------|-------|-------|-------|-----|--------|---------|
| 143 | 104 | Carters 200 | 122 | + | 4.2 | 1.0 | 1978 | 0.82 |
| 60 | 40 | Clifford Dairies | 42 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 178 | 124 | Do. "A" MV | 132 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "B" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "C" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "D" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "E" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "F" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "G" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "H" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "I" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "J" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "K" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "L" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "M" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "N" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "O" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "P" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "Q" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "R" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "S" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "T" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "U" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "V" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "W" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "X" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "Y" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |
| 118 | 106 | Do. "Z" MV | 108 | + | 2.1 | 1.0 | 1978 | 0.42 |

FOREIGN BONDS & RAILS

| High | Low | Stock | Price | % Chg | Yield | Div | Div Yr | Div Pct |
|------|-----|-------------|-------|-------|-------|-----|--------|---------|
| 22 | 20 | Antigua Rly | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 2nd | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 3rd | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 4th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 5th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 6th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 7th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 8th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 9th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 10th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 11th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 12th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 13th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 14th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 15th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 16th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 17th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 18th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 19th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |
| 22 | 20 | Do. 20th | 22 | + | 1.0 | 1.0 | 1978 | 0.22 |

BANKS & HP—Continued

| High | Low | Stock | Price | % Chg | Yield | Div | Div Yr | Div Pct |
|------|-----|-------------|-------|-------|-------|-----|--------|---------|
| 117 | 107 | Hill Samuel | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 2nd | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 3rd | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 4th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 5th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 6th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 7th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 8th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 9th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 10th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 11th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 12th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 13th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 14th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 15th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 16th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 17th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 18th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 19th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 20th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |

CHEMICALS, PLASTICS—Cont.

| High | Low | Stock | Price | % Chg | Yield | Div | Div Yr | Div Pct |
|------|-----|----------|-------|-------|-------|-----|--------|---------|
| 117 | 107 | ICI | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 2nd | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 3rd | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 4th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 5th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 6th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 7th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 8th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 9th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 10th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 11th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 12th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 13th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 14th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 15th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 16th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 17th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 18th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 19th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 20th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |

ENGINEERING—Continued

| High | Low | Stock | Price | % Chg | Yield | Div | Div Yr | Div Pct |
|------|-----|------------|-------|-------|-------|-----|--------|---------|
| 117 | 107 | Allen W.G. | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 2nd | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 3rd | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 4th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 5th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 6th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 7th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 8th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 9th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 10th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 11th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 12th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 13th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 14th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 15th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 16th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 17th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 18th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 19th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |
| 117 | 107 | Do. 20th | 113 | + | 1.4 | 1.0 | 1978 | 0.117 |

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

| High | Low | Stock | Price | % Chg | Yield | Div | Div Yr | Div Pct |
|------|-----|----------------|-------|-------|-------|-----|--------|---------|
| 99 | 94 | Treasury 3 1/2 | 98 | + | 3.6 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 4 1/2 | 98 | + | 4.3 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 5 1/2 | 98 | + | 5.0 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 6 1/2 | 98 | + | 5.7 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 7 1/2 | 98 | + | 6.4 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 8 1/2 | 98 | + | 7.1 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 9 1/2 | 98 | + | 7.8 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 10 1/2 | 98 | + | 8.5 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 11 1/2 | 98 | + | 9.2 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 12 1/2 | 98 | + | 9.9 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 13 1/2 | 98 | + | 10.6 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 14 1/2 | 98 | + | 11.3 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 15 1/2 | 98 | + | 12.0 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 16 1/2 | 98 | + | 12.7 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 17 1/2 | 98 | + | 13.4 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 18 1/2 | 98 | + | 14.1 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 19 1/2 | 98 | + | 14.8 | 1.0 | 1978 | 0.99 |
| 99 | 94 | Do. 20 1/2 | 98 | + | 15.5 | 1.0 | 1978 | 0.99 |

AMERICANS

| High | Low | Stock | Price | % Chg | Yield | Div | Div Yr | Div Pct |
|------|-----|-----------------|-------|-------|-------|-----|--------|---------|
| 110 | 100 | AMP 5% Conv. 87 | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 2nd | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 3rd | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 4th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 5th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 6th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 7th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 8th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 9th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 10th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 11th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |
| 110 | 100 | Do. 12th | 105 | + | 5.0 | 1.0 | 1987 | 0.110 |

Handwritten Arabic text at the top center of the page.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

Table listing various unit trusts and their performance metrics, including columns for fund names, managers, and returns.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, including columns for fund names, managers, and returns.

INSURANCE AND PROPERTY BONDS

Table listing insurance and property bonds, including columns for company names, policies, and terms.

NOTES section at the bottom right of the page, providing additional information and disclaimers.

Handwritten Arabic text at the top center of the page.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI, with columns for stock price, price change, and volume.

INSURANCE—Continued

Table of insurance stocks including companies like British American Insurance, Commercial Union Assurance, and Sun Life.

PROPERTY—Continued

Table of property-related stocks including companies like British Land, Commercial Union Assurance, and Sun Life.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

FINANCE, LAND—Continued

Table of finance and land-related stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

DAIWA SECURITIES logo and header for the Japanese securities section.

MINES—Continued

Table of mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

AUSTRALIAN

Table of Australian stocks including companies like BHP, Broken Hill, and Mount Isa Mines.

TINS

Table of tin stocks including companies like Anglo American, De Beers, and Anglo Coal.

COPPER

Table of copper stocks including companies like Anglo American, De Beers, and Anglo Coal.

MICELANEOUS

Table of miscellaneous stocks including companies like Anglo American, De Beers, and Anglo Coal.

GOLDS EX-£ PREMIUM

Table of gold stocks including companies like Anglo American, De Beers, and Anglo Coal.

NOTES

Notes section containing various financial notices, company announcements, and market updates.

REGIONAL MARKETS

Table of regional market data including stock prices and market indices for various regions.

OPTIONS

Table of options data including call and put options for various stocks.

LEISURE

Table of leisure-related stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

Commercial Vehicles

Table of commercial vehicle stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

Components

Table of component stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

Garages and Distributors

Table of garage and distributor stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

PAPER, PRINTING

Table of paper and printing stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

ADVERTISING

Table of advertising stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

PROPERTY

Table of property stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

SHIPPING

Table of shipping stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American, De Beers, and Anglo Coal.

TEXTILES

Table of textile stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

TOBACCO

Table of tobacco stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

Investment Trusts

Table of investment trusts including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

Finance, Land, etc.

Table of finance, land, and other stocks including companies like British American Investment Trust, Commercial Union Assurance, and Sun Life.

OILS

Table of oil stocks including companies like Anglo American, De Beers, and Anglo Coal.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like Anglo American, De Beers, and Anglo Coal.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like Anglo American, De Beers, and Anglo Coal.

TEAS

Table of tea stocks including companies like Anglo American, De Beers, and Anglo Coal.

Sri Lanka

Table of Sri Lanka stocks including companies like Anglo American, De Beers, and Anglo Coal.

Africa

Table of African stocks including companies like Anglo American, De Beers, and Anglo Coal.

MINES

CENTRAL RAND

Table of Central Rand mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

EASTERN RAND

Table of Eastern Rand mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

FAR WEST RAND

Table of Far West Rand mining stocks including companies like Anglo American, De Beers, and Anglo Coal.

O.F.S.

Table of O.F.S. stocks including companies like Anglo American, De Beers, and Anglo Coal.

FINANCE

Table of finance stocks including companies like Anglo American, De Beers, and Anglo Coal.

Finance, Land, etc.

Table of finance, land, and other stocks including companies like Anglo American, De Beers, and Anglo Coal.

DIAMOND AND PLATINUM

Table of diamond and platinum stocks including companies like Anglo American, De Beers, and Anglo Coal.

CENTRAL AFRICAN

Table of Central African stocks including companies like Anglo American, De Beers, and Anglo Coal.

EURO ELECTIONS '79

Cautious party line on likely turnout in UK

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE UK Labour and Conservative parties yesterday issued last minute appeals for their supporters to vote in today's first direct elections to the European Parliament.

It was very noticeable, however, that leading figures in the two major parties seemed very unsure of the probable size of the turnout. They took an extremely cautious line, and refused to be drawn into predicting the result.

East Europe looks on with bitterness

BY LESLIE COLITT IN BERLIN

WESTERN EUROPE'S election has become a bitter pill to swallow for 108m East Europeans in six small countries tied closely to the Soviet Union.

pean Parliament express a "political egocentricity, a presumption to speak in the name of all of Europe and not only for Western Europe."

A Habsburg is CSU's secret weapon

By Roger Boyes in Bonn

THE HABSBURG Family, former emperors of Austria-Hungary, once ruled over one quarter of Europe. Fortunately, for Europe, perhaps, Dr. Otto von Habsburg, son of the last Austro-Hungarian Emperor, has more modest ambitions.

MR. EDWARD HEATH

Towering figure in Tory campaign

BY ELINOR GOODMAN, LOBBY STAFF

FOUR O'CLOCK in the afternoon in a small Huntingdonshire village, where Tory ladies still wear hats and the trees blossom with rare signs of European life in the shape of Conservative European posters.



Mr. Edward Heath

Doesn't he agree, asks one lady, that the Tories have a proven record of supporting the EEC as a member of the European Union of Women, that the idea of Europe goes over much better if it is referred to as the "European Community" rather than as the "Common Market"?

he and not Mrs. Thatcher who has dominated the Tories' European campaign. Although he made even more speeches in last month's general election campaign, he has seemed much more relaxed when speaking on behalf of the European candidates.

Problem of the motorway parliament

By Margaret Van Hatten in Brussels

ABOUT six times a year, a bizarre caravan sets out from Luxembourg. Five hundred officials, secretaries and typists accompanied by pan-technicians loaded with files, filing cabinets and tin trunks packed with documents, stream down the motorway to Strasbourg.

MRS. BARBARA CASTLE

'No new market' for British goods

BY BARBARA DALZELL

IF Mrs. Barbara Castle, were taking part in a political popularity contest on June 7, she would undoubtedly be the winner for the Greater Manchester region.

opened up any new markets for them. They can compete on price and quality, but there is still a strong nationalist bias. West German buyers want to buy West German goods, French buyers are still buying French goods.



Mrs. Barbara Castle

nearby table looks up, recognises her and rushes over. "It's Barbara Castle. Can I shake her hand?" she asks one of the Castle entourage.

By keeping the old Parliament out of Brussels except for a number of committee meetings, national Governments ensure maximum difficulty for the Commission and the Council of Ministers.

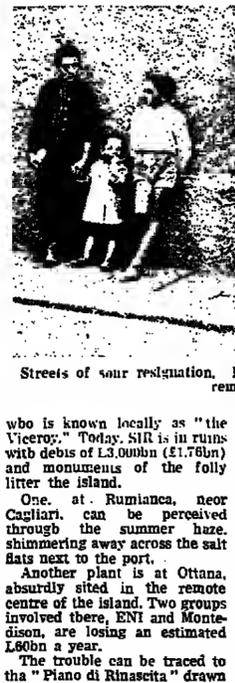
Both centres have, therefore, with funds from their central Governments, constructed entirely new buildings. The Strasbourg complex will be ready for the first post-election session.

Sardinia, where lavish promises fall on barren soil

BY RUPERT CORNWELL IN CAGLIARI

"EITHER Sardisti or slaves" proclaims the poster of the Partito Sardo d'Azione (the Sardinian Action Party), largest and oldest of the island's separatist parties.

One will be a Communist, Umberto Cardia. The fate of the other, a Christian Democrat, depends on factional infighting, at least as strongly evident in Sardinia as in the Continent.



Streets of sour resignation. Half a million Sardinians have emigrated, and among those who remain, unemployment stands at 30,000

Those were the good years. Petrochemicals seemed an endless source of prosperity, and Cagliari improbably won the special Mezzogiorno credits to which it was already entitled.

From the latter, and the heavy casualties of the crack Brigata Sassari during World War I, the Partito Sardo d'Azione was born.

many who might have taken a more extremist line allied themselves to existing national parties.

Should the Government weaken its support for Strasbourg as a seat of the Parliament, this gap may well be bridged.

Cartier LTD. OFFERS HIGHEST PRICES FOR JEWELLERY. Antiques and modern. Also antique silver. Immediate payment. Complete privacy ensured.